

Geneva 3 December 2012

**Peter Crossgrove**

*Executive Chairman & Interim CEO*

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## **IndustriALL calls on Excellon to enter in good faith dialogue with landowners and union**

Dear Mr. Crossgrove,

I acknowledge receipt of your letter received on November 16 regarding Excellon's relationship with the land-owning community in which the mine operates as well as with the workers it employs. I would like to take this opportunity to respond to the claims you make in your letter.

Firstly, you say that you enjoyed a good relationship with the Ejido until it was marred by the 'manipulation' of Los Mineros and ProDesc.

Presumably, then, your definition of a 'good' relationship is one in which Excellon can enjoy unrestricted use of the land at rock-bottom prices.

Sustained pressure on the part of the Ejido led to the signing of an improved land use deal in 2008, but Excellon failed to respect the agreement. The blockade which was violently dismantled a few weeks ago started after management backed out of long-awaited and hard-won negotiations aimed at resolving violations of the agreement.

Secondly, you deny that the protestors camp was violently dismantled. The protesters have dismissed these claims as 'lies'.

Finally, you indicate in your letter that Excellon is in compliance with all Mexican laws and supports the right of workers to freely associate. However, the facts indicate the opposite.

As you know, Section 309 of Los Mineros was formed in November 2010 in a context of appalling working conditions and violations of human and labour rights. Three days after the formation of Section 309, Excellon signed a protection agreement with the Sindicato Adolfo Lopez Mateos. The workers did not find out until a year later that the contract even existed.

The company also began discriminating against union leaders and supporters. Three union leaders and a union member were arbitrarily dismissed, and a further six were demoted without explanation, on 'orders from above'. Many of these workers have been assigned to heavy and dangerous jobs without proper safety precautions. The company refused to engage with the union in its attempts to represent its members.

In August 2011, after being forced to the bargaining table by Los Mineros, Excellon began actively supporting a rogue union, the Sindicato Nacional Minero y Metalúrgico Don Napoleón Gómez Sanchez (SNMMNGS, known as El Frente Nacional Minero).

During that period Excellon repeatedly intervened in trade union affairs, for instance by orchestrating bogus 'industrial action' in an attempt to provide legitimacy to the Frente, as well as by systematically favouring the Frente while denying Section 309 the same facilities, and telling workers that Los Mineros was an 'illegal' union.

In October 2011, Los Mineros lodged a demand for an election over bargaining rights, and a 'recuento' was held on July 5 2012. An international observer team, which included an IndustriAll staff member, was present throughout the voting in a bid to reduce the risk of violence, harassment and other irregularities that have typically marred Mexican union elections.

The observers concluded that the process had been far from free and fair. The vote took place on company premises in a climate of intimidation with a heavy presence of heavily-armed municipal, state and federal police as well as over 100 members of the Frente, bused in from outside, who positioned themselves on the highway and brandished sticks at workers arriving to vote until they were eventually dispersed by the police. Management also allowed one of the unions to post propaganda in a prominent location. In the lead-up to the election workers reported that they were bribed and threatened to prevent them from voting for Los Mineros.

Your company's denial of the right of workers to join organizations of their own choosing, its interference in trade union affairs, its discrimination against workers on the grounds of union membership and its denial of the right of workers to bargain collectively represent blatant breaches of the internationally-recognised right of freedom of association.

In conclusion, I would urge you to stop trying to divert the attention from the key issues at hand, and instead to engage in good faith dialogue with the Ejido to resolve the violations of the 2008 land use agreement and with Los Mineros to resolve the outstanding labour issues.

Sincerely,

A handwritten signature in blue ink, appearing to be 'JR' or similar initials, written in a cursive style.

Jyrki Raina  
General Secretary  
IndustriALL Global Union