



Steering Committee
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Steering Committee Update May 2009

The Steering Committee for the human rights assessment of the Marlin Mine (the "Assessment") is providing an update on the status of the Assessment. This update focuses on three developments: (1) a change in the scope of the Assessment; (2) changes to the Assessment team; and (3) changes to the composition of the Steering Committee.

Change in Scope

The initial design for implementation of the Assessment, as proposed by On Common Ground and reviewed by International Alert, was founded on community participation in developing the assessment methodology and on a commitment to a broad consultative process. Indeed, extensive efforts were undertaken by On Common Ground to engage local community organizations and citizens in an open, transparent, and inclusive process. In conducting this work, On Common Ground concluded that the conditions necessary to engage local communities and organizations in open dialogue do not exist in the current circumstances.

At the national level, the current debate over proposed revisions to Guatemala's mining law has mobilized individuals and organizations to actively express their opinions on the role of mining in the country's economic development plans. This debate has contributed to a polarization of the positions of individuals and organizations at the local level. As a result, various groups and individuals who were initially willing to take part in the Assessment have said that participating at this time is perceived by others as equivalent to supporting the Marlin Mine or mining in general.

Due to this situation, the Steering Committee has accepted a proposal from On Common Ground to change the scope of the Assessment. As revised, the Assessment will review the potential impact of the presence and operation of the Marlin Mine on human rights, relying on a review of company policies, practices, and procedures, secondary data analysis and expert sources, and as much stakeholder participation as can be obtained short of the original design. The Assessment leaves open the possibility of wider community and stakeholder participation in a future Human Rights Impact Assessment.

The Assessment will continue to use the Danish Institute for Human Rights' (DIHR) compliance tool as a basis for the review of the potential human rights impacts. The Danish Institute tool will be supplemented by other assessment tools including Rights & Democracy's "Step by Step Guide to Assess the Impact of Foreign Investments on Human Rights" and International Alert's "Conflict-Sensitive Business Practice: Guidance for Extractive Industries". As necessary and appropriate, the assessment team will also develop customized questions and indicators that are specific to the human rights context in Guatemala and potential impacts around the Marlin Mine based on interviews and the review of secondary data.

The target date for completion of the Assessment is the end of July.

Update on the Assessment Team

On Common Ground advises that two new members have been added to the Assessment team: Monica Leonardo Segura, a human rights lawyer based in Guatemala has been added to the team to support the human rights legal review and strengthen the team's understanding of the Guatemalan human rights context. Lloyd Lipsett has also joined the team as Senior Reviewer and Human Rights Expert. Mr. Lipsett formerly participated in five HRIA case studies undertaken by Rights & Democracy as part of the development of that organization's HRIA methodology. Eduardo Bryce, who was the original Human Rights specialist for the OCG team, ceased to be involved in the project in January, 2009.

Update on the Steering Committee

On March 18, 2009, the Steering Committee received a letter from John Gordon, President of the Public Service Alliance of Canada (PSAC), withdrawing PSAC from the group of Shareholders participating in the Assessment. Mr. Gordon did not discuss with the Steering Committee any matter regarding the Assessment prior to the PSAC making its decision. The Steering Committee regrets PSAC's decision, but will continue to work with OCG and International Alert to complete the Assessment as described above.

Due to PSAC's decision, Mr. Bill Brassington resigned from the Steering Committee. The Steering Committee appreciates Mr. Brassington's contributions to the development and implementation of the Assessment.

Bob Walker, Vice President of Sustainability with Northwest and Ethical Investments L.P. has joined the Steering Committee as the shareholder representative. Northwest & Ethical Investments L.P.'s approach to investing incorporates the thesis that companies integrating best environmental, social and governance (ESG) practices into their strategy and operations will provide higher risk-adjusted returns over the long term. Mr. Walker leads an 11 person department that evaluates corporate ESG practices and engages companies in dialogue to encourage performance improvements. In recent years, Mr. Walker served on the Government of Canada's Advisory Group for the National Corporate Social Responsibility Roundtables on Canada's Extractives Sectors and co-chaired the Interfaith Center on Corporate Responsibility's

Human Rights Working Group. He currently sits on the Boreal Leadership Council; a multi-stakeholder initiative created to protect Canada's vast boreal forest, and is serving on the Global Reporting Initiative's Human Rights Working Group.