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Reiterated on first work report

### **The Government Maintains Political Pressure Against the Mining Company's Vested Rights**

- The negotiation term in order to avoid an expensive international arbitration still runs

On May 1<sup>st</sup>, President Abel Pacheco mentioned at the Legislative Assembly, the paralysis of all mining activity as one of his achievements during the first year of government. He also expressed on his speech to the country: "I said that we will not be a territory for opencast mining and I kept my promise".

"We could understand that the President was not aware of the legal solidity of the Crucitas Project one year ago, but the reiteration of the same position one year later, shows that his ignorance persists despite the transparency with which we have handled the process", Industrias Infinito General Manager, Jesús Carvajal said.

Carvajal added that what was mentioned before was shown when President Pacheco stated on his first work report, "we have issued a decree that establishes an indefinite moratorium for this activity in Costa Rica". With this statement, the President is showing the obstacles and the political pressure that directly or indirectly and voluntarily or not, the government has put against the Crucitas Project development.

"The President is not aware of the Constitutional Court's judgment of October 2<sup>nd</sup>, 2002 that ratified on resolution # 2002-07882 all of Industrias Infinito's vested rights on Mining Exploitation Concession # 2594. This judgment indicates that, up to that moment, the Government's declarations were no more than informal press declarations; and that the threat against the basic rights protecting the company had to be real", Carvajal mentioned. He also added that the Court clearly indicated that the Moratorium Decree does not affect the existing companies' vested rights, meaning Industrias Infinito which was the only company with permits in process at that time.

Faced with this situation, the last 4<sup>th</sup> of April, Vannessa Ventures Ltd. , our parent company, was forced to invoke the reciprocal protection of investments Agreement between Costa Rica and Canada, which guarantees stability and legal security to investors from both nations. At the same time, it motivates the principles of good faith, transparency, and non-discrimination.

“I would rather face the processes of those arguing to have the rights to carry out such activity instead of granting permits...”, President Pacheco said last May 1<sup>st</sup>.

In this regard, Carvajal emphasized: “Our interest is to avoid a far-reaching conflict, thus, we hope that the Executive Power will be willing to start the dialogue process stipulated on the bilateral agreement already invoked by Vanessa Ventures”.

“ The objective of Industrias Infinito and its parent company is to develop the Crucitas Mining Project without resorting to an international arbitration that would cause great losses to the country; one of them generated by the eventual compensation the country would have to pay and the other one for the non-exploitation of an industrial eco-mining project that would generate direct benefits for Costa Rica of around \$135 millions”, Carvajal concluded.