

October 24th 2003.Press Release.PR-022-2003

Despite the moratorium against opencast mining.

Vannessa Ventures Reasserts its Rights to Develop the Crucitas Project

- The Minister of Environment annuls resolution and recognizes vested rights.

In a clear political turn towards foreign investment, the Costa Rican government decided to reverse its position against the Crucitas Project (CP) and annulled the resolution of the Secretaría Técnica Nacional Ambiental (SETENA), thus allowing our subsidiary company, the Costa Rican Industrias Infinito S.A. (IISA) to take up again the project and to consolidate it within a new framework of respect towards the due process.

Carlos Manuel Rodríguez, Minister of Environment and Energy, acting with justice and transparency, annulled on Wednesday, October 22d SETENA's resolution # 272-2003 that rejected the CP's Environmental Impact Study for being inadequate.

The appointed minister accepted a Appeal filed to reverse a judgment presented since March by IISA against an dubious procedure that was corrected by Minister Rodríguez.

The decision coincides with an agitated political and social setting., after a warning and the subsequent withdrawal of a \$57 billion lawsuit against Costa Rica from the oil firm Harken Costa Rica Holdings and the tense Free Trade Agreement negotiation with the United States.

After complying with a seven year exploration period, making a \$34 millions investment in that stage, and fulfilling all the requirements established by the Mining Code, the Environmental Organic Law and other laws related to our activity, Industrias Infinito S.A. obtained the Mining Exploitation Concession in December 2001.

The Investments Protection Agreement was invoked after the obvious political interference on the part of the President and after the Executive Power carried out actions overlooking our vested rights, against the settlement, at any price, of the Crucitas Mining Project. This situation culminated in March with a manipulated resolution from the Secretaría Técnica Nacional Ambiental, SETENA, who actually rejected the project's Environmental Impact Study.

“Vannessa Ventures is a public Canadian company dedicated to the mining industry development. It is not our purpose to bill Costa Ricans millions due to their Government's actions. Our goal is to operate the Crucitas mine, it is not to collect money from compensations and that is why we consider that it is urgent to start with the conversations stipulated on the agreement that Costa Rica signed with Canada”, Rauguth, emphasized.

If ,after the six month term, next September, the government does not initiate the dialogue, we will turn to an international arbitration which will cost a lot of money to Costa Rica, “without taking into account the imminent compensation they will have to pay”, Rauguth concluded.