



International Network for Economic, Social & Cultural Rights
Red Internacional para los Derechos Económicos, Sociales y Culturales
Réseau international pour les droits économiques, sociaux et culturels
الشبكة العالمية للحقوق الاقتصادية والاجتماعية و الثقافية

August 4th, 2011

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Dear Sirs:

Mr. Renji George Joseph
*Alliance for Holistic and
Sustainable Development
of Communities, India*

Thank you for your response dated June 6th, 2011. In acknowledgement, we would like to respond to a number of issues related to your operations in Durango, Mexico, and provide some further evidence to buttress our outstanding concerns with Excellon's labor rights record.

Mr. Legborsi Saro
Pyagbara
*Movement for the
Survival of the Ogoni
People—MOSOP,
Nigeria*

First, we were in fact aware of the existence of one union at La Platosa mine—the “Sindicato Nacional de Industria ‘Vicente Guerrero.’” Yet, according to our sources, the workers themselves were not. Interviews with the approximately 60% of the workers at La Platosa mine conducted throughout 2010 detail that the workers were not even aware that they were unionized. In addition, they expressed that there was no presence of a union on site, nor had the union attended any union assembly, nor met their representatives. This information brings into question Excellon's claims of a satisfactory relationship of the workers with said union, and provides clarity as to why workers at that mine would choose to unionize with another.

Mr. Wilder Sánchez
Chávez
*Confederación
Campesina del Perú—
CCP, Perú*

Ms. Aye Aye Win
*Dignity International,
France*

As a matter of international human rights law, you must know, the existence of a union in the company workplace does not prove per se that the rights of workers to freely associate with a union of their choosing have been upheld.¹ The right of the workers at the mines of La Platosa and Miguel Auza include the right to freely select the union that

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¹ According to the International Covenant on Economic, Social and Cultural Rights (Article 22), “[e]veryone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of his interests,” and states unequivocally that “[n]o restrictions may be placed on the exercise of this right other than those which are prescribed by law and which are necessary in

he or she intends to join, notwithstanding the existence of a separate union for which said workers are eligible for participation.

Second, Excellon claims that it was not informed by community members of the existence of harassment of workers by local management for their labor rights promotion and that it has received assurance from its General Manager that he did not pressure any workers in this regard. Yet we have come across a letter dated January, 12 2011 from the Ejido Authorities written to your company expressly concerned about the harassment of workers by local management (See Annex I). Further, we have received and confirmed confidential testimony from workers on site that Ing. Gurrola pressured them to sign a letter stating disinterest in unionizing.² Looking forward as a general matter, we would respectfully suggest that Excellon conduct independent investigations rather than rely on its own employees to investigate any allegations made against them.

Third, Excellon claims that their operations respect the highest standards regarding health and safety and carry out daily health and safety meetings. We appreciate this commitment in theory. In practice however, we have received information from surveys with workers that only 2 workers (out of 50) at La Platosa received specific training on health and safety, 26 workers responded that they received once a first aid training and 22 responded that had not ever received any training. We therefore respectfully suggest you investigate further how your stated commitment to health and safety in the workplace is translated into practice, and take any actions necessary to uphold this commitment.

Lastly, we would like to take this opportunity to also address your relationship with other unions and human rights organizations. In contrast to the professional and cordial tone of your response to us, we have come across another letter addressed to Mr. Jyrki Raina of the International Metalworker's Federation dated June 6th, 2011 (Annex II below). We were struck by the aggressive and unrestrained tone of this letter, in which your offices accuse him of lying about efforts by the company to impede workers from forming a union of their choosing and refer to the Federation as "a so-called organization that purports to be part of civil society," suggesting that they lack civility. We further note with grave concern your statement in that letter that the words "reputable human rights organization" are an oxymoron, suggesting an underlying lack of respect for the legitimate work of human rights organizations worldwide.

This type of language and the underlying assumptions questioning the reputability of all human rights organizations belies other statements your company has made professing that it abides by the highest standards of corporate social responsibility and stakes pride in its relations with

a democratic society in the interests of national security or public safety, public order (ordre public), the protection of public health or morals or the protection of the rights and freedoms of others."

See the original communication from ESCR-Net member ProDESC of Dec. 20, 2011, available at <http://www.business-humanrights.org/Categories/Individualcompanies/E/ExcellonResources>.

stakeholders. Excellon's purported respect for human rights is questionable as long as it continues to defame and delegitimize the very organizations defending these rights.

Further, we wish to bring to your attention how these types of accusations can directly place human rights defenders in Mexico at further risk to their personal and organizational security. As you may know, the persecution of human rights advocates in Mexico continues to be an issue of grave concern. According to a recent Report of the Special Rapporteur on the situation of human rights defenders, Margaret Sekaggya (A/HRC/16/44), human rights defenders in Mexico face heightened instances of threats including death threats, as compared with its regional neighbors, and face serious risks of being killed or having an attempt made on their lives. Mexican trade unionists and labor rights activists, in particular, as well as those working in the context of extractive and energy-related industries such as mines, have received a disproportionate number of threats and assassination attempts. In this context, the language reflected in your letter to Mr. Raina dangerously resembles patterns we have witnessed in several other countries of companies creating a pretext for the deligitimation and subsequent criminalization, persecution and even murder of human rights organizations and trade union members. In order to prevent any possible retributions against the human rights organizations and trade unions involved in this case for their legitimate work defending human rights, we urge Excellon and all of its employees to retract its statements which delegitimize or question the reputability of the indispensable work of human rights organizations. We would further suggest your offices modify the tone of any future communications.

We appreciate your company's willingness to engage with us on these pressing matters, and look forward to your timely response in this matter. Finally, we ask that you keep us updated about any measures you adopt.

Attentively,



Julieta Rossi,
Director

CC:

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Annex I: January 12 2011 letter to Excellon Resources from Ejido "La Sierrita" Authorities expressing concern about harassment of workers by local management.



COMISARIADO EJIDAL DE LA SIERRITA, MUNICIPIO DE TLAHUALILO, DURANGO.

CARRETERA LIBRE GOMEZ PALACIO -CD. JUAREZ KM. 48.3 R.F.C. ESI071204PS0

Oficio n. 005/11

Ejido "La Sierrita" municipio de Tlahualilo Durango a 12 de enero del 2011.

Richard W. Brissenden, CA
President and Chief Executive Officer.

Peter A. Crossgrove, Chairman of the Board
EXCELLON RESOURCES INC.

Respetables funcionarios de EXCELLON RESOURCES INC:

Les escribimos para hacer de su conocimiento, que estamos al tanto de las diversas acciones de presión por parte de la gerencia local de su empresa en contra de la libertad de asociación sindical de los trabajadores de la mina "La Platosa" en el Ejido La Sierrita, del municipio de Tlahualilo, Durango. Consideramos que estas acciones violentan los derechos humanos laborales de los trabajadores de la mina, y que de igual manera, representan violaciones y omisiones a las leyes mexicanas y acuerdos internacionales aceptados tanto por el Estado mexicano así como por el estado Canadiense.

Por lo anterior y por este medio, les expresamos nuestro extrañamiento ante esta situación, ya que, en nuestra calidad de autoridad ejidal y en representación de todos los ejidatarios del Ejido La Sierrita de Galeana nos preocupa la salvaguarda de los derechos de todos nuestros miembros. Además, como accionistas de su empresa, y siguiendo con los códigos de responsabilidad empresarial que EXCELLON RESOURCES ha marcado como sello de sus operaciones en nuestro país, estamos interesados en que las actividades de ésta se desarrollen dentro de la ética empresarial que ha distinguido a su empresa.

Por tal motivo, les solicitamos de la manera más atenta, que nos mantengan al tanto de las medidas que planean llevar a cabo para evitar que sigan realizándose acciones que impidan la libre asociación sindical de los trabajadores de la Mina "La Platosa".

En representación de la Asamblea General de Ejidatarios,

ATTE:

COMISARIADO EJIDAL

PRESIDENTE

SECRETARIO

TESORERO


JUAN DANIEL PACHECO ALVÁREZ


JUAN PABLO RAMÍREZ SÁNCHEZ


LORENZO ORÓN SEGURA



C.c.p. para archivo.

Annex II: Excellon Resources Letter dated Jun 6th to Mr. Jyrki Raina, International Mineworkers' Union



Mr. Jyrki Raina
International Metalworkers' Federation
54 bis, route des Acacias
Caisse Postale 1516
CH-1227 Geneva
Switzerland

June 6th, 2011

RE: La Platosa Mine of Excellon Resources Inc.

Dear Mr. Raina,

Thank you for your letter of May 26, 2011, receipt of which is hereby acknowledged by Excellon Resources Inc. ("Excellon").

Please be advised that Excellon has thoroughly investigated the allegations against it that you have so dramatically set out in your letter. Excellon has found that the facts on which your allegations are based are totally (180 degrees) wrong. The reputable human rights organization (these words are an oxymoron) who corroborated these allegations has seriously misled you.

The facts are that the workforce at La Platosa has been represented by the "Vicente Guerrero Union" (Sindicato Nacional De Industria "Vicente Guerrero" De Los Trabajadores De La Extracción, Fundición, Transformación, Distribución, Montaje y Transportación De Productos De Metal, Minerales, Cementos, Derivados y Similares) since before the commencement of commercial production at the mine in 2005. Excellon has an existing labour agreement with said union which is in full force and effect. There have been no allegations or issues raised with Excellon by said union's Management or any workers at La Platosa and the relationship is now and always has been cordial and issue free. Small items have been - from time to time- raised by the union, discussed, essentially negotiated and settled.

You should also be aware that the workforce at La Platosa is among the highest paid mineworkers in Mexico.

Excellon has never been advised by anyone until receipt of your letter that the workers at the mine democratically decided to affiliate with the National Union of Mine and Metal Workers of the Mexican Republic ("SNTMMSRM") or that Mr. Jorge Mora was the General Secretary of the local Executive Committee. Please note that said union has been declared illegal by the Mexican Government and that its leader is a fugitive from justice in Mexico and lives - unfortunately- in Vancouver, Canada. Excellon knows this as cheques Excellon has sent to said union's bank account have been returned as the Mexican Government has legally frozen its bank account. Please see paragraph number 4 below, with respect to Excellon's relationship with the SNTMMSRM.

Excellon investigated thoroughly all issues raised by the Canadian Corporate Social Responsibility Counsellor and was assured by Pablo Gurrola, other Management and the Platosa Mine Supervisors that they did not individually or collectively pressure any workers to sign any documents stating their disinterest in unionizing nor were such workers offered wage increases and/or benefits if they would sign on with any other union.

For your information Excellon knows that it not only has a Workers Health and Safety program that complies with Mexican labour law but is on a par with the highest workers health and safety programs in the world. Excellon conducts workers health and safety moments on a daily basis all in an effort to be number one in this area of mining excellence.

There have been no efforts made by SNTMMSRM or PRODESC to communicate with Excellon or its Executives on the issues you have raised.

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For your information:

1. Excellon has never threatened or harassed any workers with respect to choosing to join a union or not or penalized any staff members who engaged in such conduct (as this was not necessary) nor does it have any intention of so doing in the future. The mere fact that Excellon has an existing union at Platosa and has had one since the commencement of commercial production puts a lie to your allegations.

2. Excellon will not immediately or thereafter reinstate Mr. Jorge Mora or safeguard his labour rights as he violated the Company's Safety program by falling asleep and leaving a scooptram running which could have overheated and caused a fire and potentially toxic fumes which could have seriously injured other workers. Mr. Mora was told on several occasions of the dangers that could accrue as a result of this practice and he chose not to follow correct safety procedures. This is a very serious error and Mr. Mora knew that he or any other employee would be fired if they did this. In fact the labour laws of Mexico specifically require the firing of any worker who falls asleep anywhere underground as it is a severe violation of underground health and safety practices.

3. You should be aware that there are existing labour laws in Mexico which provide a process whereby any union which wishes to decertify an existing union can get existing union members to sign their union cards and a secret vote is held and the union who gets the majority of votes wins certification at the expense of the other. Presumably the SNTMMSRM knows this procedure but has chosen to ignore this process probably because it is illegal for it to conduct union activities in Mexico. We also believe that it is because said union, or any other union, has not been able to get a majority of the Platosa workers to sign cards in favour of the SNTMMSRM or said other union. Excellon played no part whatsoever in whether its workers signed or did not sign such cards.

4. Excellon has in the past and will in the future uphold workers' rights to integrity, security and freedom of association at La Platosa. Excellon has worked cooperatively with the existing union at La Platosa and will in the future work cooperatively with whatever union represents the workers at Platosa. Please be advised that at the present time Excellon works cooperatively at its Miguel Auza mine and mill with the SNTMMSRM which has represented workers at Miguel Auza since before Excellon bought Miguel Auza in 2009. There have been no labour or other issues at Miguel Auza since that time.

5. Excellon has always and will always recognize workers' freedom of association and other labour rights unconditionally. Proof of that fact is evidenced by the two existing labour contracts Excellon has at the two sites. We suggest you check this out by communicating with both unions currently involved with Excellon.

We have and are cooperating fully with the Review Process of the Office of the Extracting Sector, Corporate Social Responsibility Counsellor in her investigation. The existing status quo at both sites is the just and equitable solution for all parties.

We would respectfully request you cease and desist from your faulty allegations against Excellon. In the future at least check out the factual circumstances before you make false accusations against anyone. As a so-called organization which purports to be part of civil society we would suggest you practise some civility yourself by ceasing and desisting from false accusations against others.

If you should ever have any bona fide complaints of violations of human rights or other illegal or unprincipled activity by Excellon, please feel free to contact the undersigned who will immediately carry out a thorough investigation of the allegations and immediately undertake correction or remedial action, if necessary.

Thank you for attempting to make Excellon a better employer as we take our obligations to our employees and stakeholders who may be affected by our mining activities very seriously.



Yours sincerely,



Peter A. Crossgrove
President and Chief Executive Officer

CC: **Marketa D. Evans, Phd**
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