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Quito DM, June 06 2006

Mr. Gary E. Davis, President
ASCENDANT COPPER
Av. República de el Salvador
Torreazul Building
City of Quito

From my part,

The Ministry of Energy and Mines is concerned about the increasing conflict at Golden 1 and Golden 2 areas, and will not take any responsibility on behalf of the series of social problems that the activities developed by the company you represent have caused at the "Zona de Intag."

The recent developments derived from the Assembly in Garcia Moreno on the third of June and past situations, are solely the responsibility of Ascendant Copper. Therefore the particular and personal accusations that have occurred must be dealt with through the scope determined in the Constitution of the Republic and secondary laws that regulate public and private activities.

This State Institution will process all legal requirements that fall under our jurisdiction and will be bound to the Mining Law and its Environmental Regulations. Once Ascendant Copper complies with all social and environmental commitments agreed upon with several communities in the area, then and only then, will this Ministry process any petitions/applications that require our intervention.

Sincerely,

Ing. Roberto Serrano
Minister of Energy and Mines, Interim

Appendices: Videos, press releases, internet publication.