



ASCENDANT COPPER CORPORATION

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Gary E. Davis
President and Chief Executive Officer

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Mr. Gregory Regaignon
Senior Researcher and North American Manager
The Business & Human Rights Resource Centre
235 Cucamonga Avenue
Claremont, CA 91711

Dear Mr. Regaignon:

Thank you for providing Ascendant Copper Corporation the opportunity to fairly respond to the allegations that Carlos Zorilla has leveled at Ascendant, particularly with regard to the recent raid by police on his home. We greatly appreciate your even-handedness, and the opportunity to present Ascendant's side of this lengthy dispute with DECOIN and Zorilla to your readers. Many in the news media and the NGO community have not solicited our input before forming their conclusions, and as a result, many "news" stories -- including many that are linked to your report -- are very one-sided in their presentation. Therefore, we particularly value the opportunity to ensure that your readers, and your Weekly Update, are exposed to credible and accurate information.

History of Conflict in Intag Region

DECOIN seeks to destroy Ascendant's reputation, while simultaneously blocking access to Ascendant's legally held properties. It is a small but aggressive activist group, which, together with its allies, is intent on keeping responsible and sustainable development from the Intag region. DECOIN's actions and advocacy of violence not only make a mockery of the rule of law in Ecuador, but deprives the region's citizens of the many benefits offered by a potentially significant foreign investment project. Our estimate is that over 80% of the population in the area within proximity of our concessions favors Ascendant's efforts to simply explore these concessions (which is all that we will be doing for the next 4-6 years), but they are frequently afraid to express their support due to threats from extremists in the anti-mining community.

DECOIN's own website acknowledges that it was formed long before Ascendant acquired its concessions in the region, and they credit themselves with driving Bishi Metals from the area in the 1990s, which was done in part through violence (DECOIN describes its "historic chapter in the resistance that dates from 1997"). Since Ascendant acquired its concessions, DECOIN and its allies have sought to smear our corporate name with numerous lies and false allegations, including questioning the underlying legality of our mining concessions. Yet, the

issue of our mining concessions has been settled in our favor by numerous entities, including the Ecuadorian Ministry of Energy and Mines, the Ecuadorian Constitutional Tribunal, and legal opinions we have commissioned from external mining experts. DECOIN has also alleged that Ascendant condones violence, when in actuality, it is Ascendant that has continued to be the victim of violence organized and perpetrated by DECOIN and its allies!

At first DECOIN was content to merely file charges against Ascendant in an effort to slow our progress. For instance, in conjunction with Friends of the Earth and Mining Watch Canada, DECOIN filed a complaint with the Canadian National Contact Point (“NCP”) of the OECD Guidelines for Multinational Enterprises against our Company last May. It then withdrew the claim earlier this year, however, rather than engage in constructive dialogue, which would have been moderated by the Canadian government.

Ascendant regretted the withdrawal of that complaint, because we had looked forward to defending before an impartial observer our actions in Ecuador. DECOIN, however, refused to abide with the NCP’s requests on the way to proceed with the complaint in accordance with the Guidelines’ procedures. Demonstrating DECOIN’s lack of good faith in actually seeking a dialogue with our Company, these three NGOs canceled scheduled meetings with the NCP, whereas we had accepted the terms requested by the OECD. These same groups later filed a complaint with the Canadian Auditor General, which the Auditor General’s Office later withdrew because of factual inaccuracies about Ascendant in it.

Yet, throughout these processes, Ascendant has remained open to meeting with DECOIN and its representatives, in a good faith effort to resolve our differences, but our attempts to hold meaningful discussions have come to no avail. Indeed, we made an overture to Mr. Zorilla in a letter this past summer, which I have attached. Mr. Zorilla immediately rebuffed our attempts, stating that his counter “proposal” was simply for Ascendant to “pull out.” Should DECOIN want to re-engage with the OECD process, or establish a dialogue with us through other mechanisms, Ascendant remains open to a facilitated face-to-face discussion with the concerned parties, ideally mediated by the Canadian government. We would want to ensure that this is done, however, in harmony with the conditions established by the OECD, so as to be both transparent in fact-finding, but also sensitive to confidential information and witnesses.

Violence Over the Past Year

Ascendant’s operations have been stymied, in gross violation of the rule of law, as DECOIN and others continue to try to bully, intimidate, and force us to abandon our legally held concessions. Not only have we been unable to even access our concessions, due to an illegal blockade established on the public road, since we legally gained ownership of them, but we have increasingly become victims of violence encouraged, if not led by, some NGOs, including DECOIN.

The first violent action against Ascendant took place last December, when our medical clinic and demonstration farm in Junin -- used to conduct classes on agricultural topics and provide community healthcare -- were set ablaze. The employees who were on the property

were physically and verbally assaulted, and medical supplies and equipment, pharmaceuticals, farm equipment, and personal property were stolen before the fire was set.

In subsequent incidents earlier this year, Ascendant employees and contractors were held hostage for up to a day at a time, and threatened with machetes. DECOIN sanctions and even appears to encourage these violent acts. On its December 15, 2005 website, DECOIN stated that the burning of the farm and clinic was “a legitimate response to the constant aggressions and abuses by the Company.” Yet, all these acts of violence have thus far gone unpunished by the local police and prosecutors, despite knowledge about who committed some of these acts.

In a sharp escalation of the violence in September 2006, six Company employees and community contractors were taken hostage on the eastern side of the Junín concession while conducting agricultural surveys on the Company’s legally held surface land. When the aggressive mob of about 20 to 30 people approached, the victims took refuge in the home of a friendly local resident, only to have that home broken into by force.

The following day, another group of Company employees and local residents were brutally assaulted outside the village of Junin while on their way to speak with police on the status of their abducted colleagues. A group of 30 or so people, many of whom were known to have been involved in the prior day’s kidnapping, surrounded the vehicles of our employees and supporters, and proceeded to attack the unarmed victims with wooden clubs, rocks and other tools. Fortunately, the Ascendant hostages were ultimately freed, but people remain wounded, scarred, and traumatized by the events that took place.

Although two people were initially detained for the kidnapping and assaults, they were subsequently released, and no one has been taken into custody for the assaults. These two people admitted that DECOIN organized the violence, and DECOIN later paid bail for both of them, calling the events a mere “ceremony” -- underscoring the group’s increasingly extremist nature.

DECOIN’s website has also sought to rationalize the violence, claiming that the confrontation “was provoked when Company officials led a number of the pro-mining crowd to try and occupy a piece of land in Junin” -- without acknowledging that Ascendant owns that property! It then claims, despite clear video footage demonstrating the opposite, that its supporters were “viciously assaulted by the pro-mining crowd.” While the police strived to assert some degree of law and order, DECOIN lashed out even at them, quoting a report on its website stating, “we are especially indignant at the fact that our public forces (police) instead of defending the people’s legitimate civil rights are at the disposal of the transnational mining companies.”

False Allegations Regarding Ascendant’s Involvement with Zorilla Raid

Allegations have been made in the press and elsewhere in the public domain -- including in articles that your website links to -- that Ascendant is in some way responsible for the recent raid on Carlos Zorilla’s house (which evidently yielded drugs and a gun, but not Zorilla, since he had fled), as well as the arrest warrant issued for Zorilla. This is simply not factual.

Ascendant is not responsible for or involved with this warrant or the government's actions against Carlos Zorilla. From the information we have learned, the warrant results from Zorilla's organization of, and participation in, a march in Quito in July 2006. Members of this demonstration turned violent, allegedly assaulting and robbing two female North American tourists. One tourist alleges that while filming the event, the throng of DECOIN demonstrators attacked her, while she was in turn trying to help the other tourist avoid this mob. The victim of this assault and robbery, who has no relationship with Ascendant, filed charges against the perpetrators. As a result, the criminal justice system of Ecuador launched this investigation of Zorilla, issued the warrant, and conducted the subsequent raid.

It should be noted that Zorilla, via means of the press, is attempting to claim that both assaulted women, four different witnesses, the medical practitioner, the local prosecuting office, the presiding judge, and the dozen or so police that raided his home and found illicit substances and an illegal weapon, are all lying before the court of law, and that this is due in some way to Ascendant. Ascendant will aggressively defend itself against any further efforts to defame the Company.

Ascendant believes that respect for the rule of law must be paramount, and has long urged greater commitment to the rule of law in Junin. It is our hope that the proper legal processes will be respected by all parties, and that the Ecuadorian justice system be allowed to work. There should be no intervention by any external parties in this process, including by Ascendant.

Ascendant's Commitment to Corporate Social Responsibility

In sharp contrast to DECOIN's actions, and false and misleading allegations about our Company, Ascendant is committed to sustainable development, non-violence, the rule of law, and partnering with local communities.

Ascendant deplores and condemns any form of violence, and emphasizes that it is a law-abiding corporate citizen, committed to following all applicable Ecuadorian and Canadian laws, as well as international best practices. Notably, Ascendant was recently accepted as a member of the United Nations Global Compact. As a public company traded on the Toronto Stock Exchange, we are committed to upholding the highest standards in the areas of transparency and anti-corruption, promotion of local sustainable development, environmental protection, and human rights.

We are strong believers in maintaining a clean and healthy environment and are committed to a policy of sustainable development. We support utilizing the best technology in mining to comply with applicable international environmental standards (as well as all Ecuadorian laws), but we also believe that the greatest contributor to environmental degradation is poverty. We therefore take our relationship with the surrounding Intag communities very seriously, and we strive to help increase the educational levels and enhance the living standards of these communities, so that they have many more economic opportunities and can choose many different ways to make a decent living.

We have worked closely with these communities to develop social programs sought by them, and which are open to all community members. Due to this input, Ascendant has helped to treat over 500 people for medical, health, and dental needs; held nutrition workshops in seven communities; vaccinated over 300 animals through a veterinary assistance program; created a "soccer school" where over 100 children play soccer per week; and worked on developing a waste management program for household waste. Our commitment to environmental protection and sustainable development is demonstrated in part by the program we launched which has started five tree nurseries, and begun to prepare 25,000 plants per year to be grown for reforestation purposes.

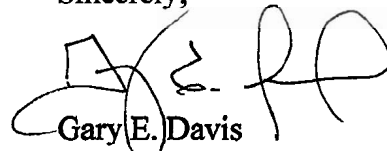
Perhaps most importantly, we are committed to local training and hiring, as well as to local purchasing, and we estimate that in the next two to four years, we could employ approximately 200-500 local citizens, providing a good alternative income for them than that which they currently gain through agrarian means, including the clear-cutting of timber, which many are forced to do to eke out an existence. We firmly believe that this could be the first opportunity that many of these community members have to better their conditions, and offer their children better and more opportunities for the future.

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It may be that once others in the international community, as well as in the Intag region, receive credible and accurate information about Ascendant and its planned operations, they will also decide that the benefits of having us as a neighbor outweigh the costs. In fact, many people in the Intag have already decided that mining constitutes a viable and desirable development option for the region. For example, hundreds of people in the affected communities recently signed a petition expressing their support for mining, and over 500 people attended a recent rally held in Garcia Moreno, with more than 20 of those participants speaking publicly about their support for Ascendant.

As our values will continue to demonstrate, Ascendant is absolutely committed to doing what is right by the people of the Intag, and operating in an honorable, transparent, democratic, and credible manner (for further information about our Company and programs, please see our website at www.ascendantcopper.com). We request that DECOIN do the same, and join us in a constructive dialogue that will most benefit the people of the region.

Sincerely,



Gary E. Davis
CEO and President

Ascendant Copper Corporation