

OTTAWA

January 23, 2011

Juan Orlando Hernandez
President of the National Congress of the Republic of Honduras
Tegucigalpa, Honduras

Dear Mr. President,

It has been brought to my attention that you are currently considering mining legislation before your congress, which would make sweeping changes to mining regulation in Honduras.

I am confident that you will take great care and caution in order to ensure that it provides the greatest benefit to the citizens of Honduras.

As a Member of Parliament from Canada, the country with the highest number of mining companies in the world, I have seen the good that extractive companies can do. They can increase development, improve economies, and offer opportunities for people to bring themselves out of poverty.

Unfortunately I have also seen the amount of damage that mining companies can cause. If there are no laws or guidelines to regulate activity, certain rogue mining companies can take advantage of a country and cause far more harm than good.

With good laws and good policy in place, this can be prevented. Through a combination of the two, the country can ensure that the relationship is mutually beneficial and that both will thrive in the short and long-term.

I was the sponsor of a Private Members Bill before the Canadian parliament which would have been a modest first step in creating a regulatory environment for Canadian mining companies operating abroad. It would have been of some assistance to a country such as Honduras in their relationship with Canadian mining companies. Although this legislation did not pass, it initiated a powerful discussion within Canada and highlighted the merits of good corporate behaviour. During the process I found the dialogue between industry, civil society, and government to be particularly useful and I trust that you will find the same.

I wish you all the best in your consideration of this legislation and I look forward to following your progress. The prudent use of natural resource wealth can and should be an important engine for sustainable economic growth, and I am confident that Honduras can craft a new mining law to achieve this end.

Respectfully,

Hon. John McKay P.C., M.P.
Scarborough-Guildwood, Canada

CC. Comisión Ordinaria de Minería.
CC. Jefes de Bancada de los Partidos Nacional, Liberal, Unificación Democrática,

Innovación y Unidad Social Demócrata y Democracia Cristiana
CC. Coalición Nacionales de Redes Ambientales y sociales de Honduras