

Constitutional Court of Ecuador Denies Referendum Application and INV Metals Provides Update

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TORONTO, Aug. 31, 2020 - INV Metals ("INV Metals" or "Company") (TSX: INV) provides an update on the 100% owned Loma Larga gold-copper-silver property (Loma Larga Project), located in Ecuador.

The Company has completed the Environmental Impact Study (EIS) for the Loma Larga gold-copper-silver project and is currently working with the Ministry of Environment and Water to submit the EIS for review and comment. As stated previously, the EIS is the culmination of a collaboration of work by the Company, various consultants and local universities based on many years of baseline data collection and study. The Company is focused on the permitting and financing of the Project with the goal to commence the development of Loma Larga in 2021, and is advancing discussions with finance providers, including debt and stream providers. A comprehensive communication program within the local and Cuenca region has commenced and will be executed over the next few months, reconfirming our commitment to honest and transparent communication.

Ms. Candace MacGibbon, CEO, stated, "We are pleased to report that the Constitutional Court of Ecuador has once again denied the application to hold a referendum related to mining activities within the canton of Cuenca, in the province of Azuay."

Ms. Candace MacGibbon stated, "We are committed to the responsible and sustainable development of the Loma Larga mine for the benefit of our local communities, the region of Cuenca, the country of Ecuador, and our stakeholders. While there will be significant economic benefits realized as a result of the development of Loma Larga for our future employees, local entrepreneurs, industrial supply and service providers, contractors, and significant tax revenues for the government, we recognize and support the promotion of human rights, including the right to clean water. Mining development and more specifically, the development of Loma Larga, will support many of the United Nations Sustainable Development Goals (SDGs). The SDGs recognize the right of all people to have access to decent work and economic growth, zero hunger, no poverty, good health and well-being, quality education, gender equality, reduced inequalities, clean water and sanitation, among other important goals. INV Metals is committed to advancing these goals in an impactful way within the province of Azuay."

Ms. Candace MacGibbon stated, "I wish to reiterate, INV Metals has focused its efforts to design the Loma Larga underground mine and related infrastructure in an environmentally responsible manner, with a project footprint of less than 65 hectares. The mine site is not near any lakes or rivers. The Loma Larga Project will not discharge any water within the canton of Cuenca. Treated water will meet stringent Ecuadorian standards and the Company expects the treated water to be of better quality than the water currently found downstream of the discharge point. The underground mine is designed to produce concentrates which do not use cyanide for processing and ~55% of the tailings will be placed underground using the paste backfill method. The remaining tailings will be filtered and pressed to remove water to be treated and recycled within the processing facilities and will be placed on a geotechnically stable lined tailings facility, which will be covered and revegetated upon closure."

Referendum Application

On August 28, 2020, the Ecuadorian Constitutional Court (the Constitutional Court) denied the request to hold a referendum related to mining activities within the canton of Cuenca, which was presented for consideration to the Court on August 3, 2020. This was the third such request by the Prefect of Azuay in his personal capacity which we believe was politically motivated in advance of the 2021 Presidential Elections. The Constitutional Court denied the request stating the standards and criteria previously

established by the Constitutional Court to hold a referendum regarding mining activities were not met.

We have been advised by our legal counsel that this and other previous rulings have set a precedent that any future referendum requests related to mining activities should not impact our legally granted mining concessions within Ecuador, and the related potential future exploration, development and mining activities on such concessions. If future referendum requests which meet the criteria previously set by the Constitutional Court are allowed to proceed, the potential impact should be related to future mineral rights not yet granted based on legally valid laws, rules and regulations. The Company and various stakeholders will also defend against any future requests.

The Ecuadorian federal government remains supportive of mining to achieve its goal of sustainable and responsible development for the future. Our team is looking forward to this exciting phase of Loma Larga's development where we engage with our many stakeholders to convey the benefits of Loma Larga and to clarify misinformation.

Water Stewardship

Loma Larga is the most environmentally researched project by academia within Ecuador as a result of INV Metals' commitment to transparency and environmental responsibility by providing access to researchers to our site and technical information. INV Metals maintains 18 surface and groundwater monitoring stations to provide a deep understanding of the hydrology and hydrogeology at and around the site. As a result of our significant and comprehensive data collection, we have developed models which support the preservation and stewardship of the characteristics and volumes of the water resources without adverse environmental impacts.

Past and ongoing Loma Larga research also includes 12 monitoring points as a result of the cooperation agreement with PROMAS University and ETAPA (the public utility company of the City of Cuenca), along with additional cooperation agreements with 11 national and international universities generating 60 undergraduate theses, 28 master theses, 43 scientific articles published internationally, and 7 scientific articles published at conferences.

The Company has a Technical Cooperation Agreement in effect with ETAPA, the University of Cuenca, the University of Azuay, and the Ministry of Mining, whereby the Company works with the universities to carry out independent monitoring programs on the biodiversity of the area and prepare technical studies and reports related to water issues.

Social Responsibility

INV Metals has partnered with our local communities for over 15 years to support the people and communities where we operate in, most recently working side-by-side to combat the COVID-19 crisis to help provide food security and medical and personal protective equipment.

Responsible exploration and development at Loma Larga are built upon cooperation, inclusion, equity, and above all, community participation. Our social responsibility programs are developed in conjunction with the local Management and Development Plans led by the parish or local governments based upon the cooperation model where the rights and privileges of the communities, INV Metals and Ecuador converge. We work together to promote the shared priorities of our local governments and INV Metals to support the self-determination of the communities and improve the quality of life for families.

Historically, the Project has contributed to the improvement of living conditions of our communities by developing in partnership, inter-institutional agreements, aimed at training, health, recovery of traditions, promotion of local human talent, and promotion of innovative ventures and entrepreneur programs. These programs have supported and strengthened more than 70 local organizations, impacting hundreds of families.

The development of Loma Larga is expected to provide substantial economic benefits to the future employees of INV Metals, our communities, and the local, provincial and federal governments of Ecuador.

The development and operation of the Loma Larga mine will also provide numerous employment and business opportunities for the local communities and within the region. Various benefits are expected to include:

- continuation of the Company's numerous social programs;
- during the construction period of 18-24 months, an estimated direct employment of 875 people;
- when the mine is in operation, an estimated 450 permanent direct jobs;
- economic development and the creation of indirect jobs with local procurement initiatives and training opportunities;
- the Loma Larga underground mine is estimated to provide opportunities for local Ecuadorian businesses to supply goods and services of over \$150 million during the construction phase and \$571 million during the operations over the mine life;
- wages, social security and pension benefits are estimated at \$15 million annually, for a total of \$186 million over the mine life;
- employee profit sharing taxes (3%) are estimated at \$34 million;
- taxes to the Government of Ecuador are estimated at:
 - Corporate Income tax (25%) - \$226 million
 - State profit sharing tax (12%) - \$135 million
 - Employment taxes (35%) - \$52 million
 - VAT (12%) and import duties (0% - 5%) - \$109 million
 - Royalties (5%) - \$120 million

About INV Metals

INV Metals is an international mineral resource company focused on the acquisition, exploration and development of precious and base metal projects in Ecuador. Currently, INV Metals' primary assets are: (1) its 100% interest in the Loma Larga gold exploration and development property in Ecuador, and (2) its 100% interests in exploration concessions in Ecuador, including the Tierras Coloradas, La Rebuscada and Carolina exploration projects.

For further information, please contact:

Sunny Lowe
Chief Financial Officer
Phone: (416) 703-8416
E-mail: slowe@invmetals.com

Doug Flegg
Capital Markets Advisor
Phone: (416) 703-8416
E-mail: dflegg@invmetals.com

Forward Looking Statements

This press release contains forward-looking information. Forward-looking information contained in this press release includes, but is not limited to, statements with respect to the EIS, the timing to enter into the permitting and financing phase of the Project, the timing to development of the Project, future communication programs, the design and impact of the Project on the environment, the support of the Government of Ecuador, statements with respect to the Company's intentions with respect to any future referendum requests, and the benefits of the Project, including to future employees, local communities and various levels of government and the various employment and business opportunities. These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Forward-looking information contained in this press release is based on certain factors and assumptions made by management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to grade or recovery rates, reliance on key personnel, operational risks, regulatory, capitalization and liquidity risks. Please refer to the Company's Annual Information Form dated April 14, 2020 filed on SEDAR at www.sedar.com for other risks that could materially affect the Company. This list is not exhaustive of the factors that may affect any of the Company's forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking information. The Company does not undertake to update any forward-looking information that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

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