



**CORE OCRC**



# **Initial Assessment Report**

**Dynasty Gold Corp.**

**Country: China**

**File number: 220842**

**Complaint filed on: June 21, 2022**

**Report published on: July 11, 2023**



## About the CORE

The Canadian Ombudsperson for Responsible Enterprise (CORE) is a business and human rights grievance mechanism established by the Government of Canada. People can file complaints with the CORE about possible human rights abuses arising from the operations of Canadian garment, mining, and oil and gas companies outside of Canada.

For more information, see the [Canadian Ombudsperson for Responsible Enterprise](#) website.

## What is the purpose of this report?

The CORE is reporting on the initial assessment stage of a complaint filed by a coalition of 28 Canadian organizations on June 21, 2022, about the activities of Dynasty Gold Corp. (DYG).

Pursuant to section 16 of the CORE's [Order in Council](#), the parties had an opportunity to comment on the facts contained in the report. A summary of the comments received is at Part 5 of the Report.

## Who are the parties to the complaint?

The Complainants are a coalition of 28 civil society organizations listed in Annex 1.

DYG is a Canadian mining company. DYG was incorporated under the *British Columbia Business Act* on December 12, 1985 with its head office at 610 Granville Street, Vancouver.<sup>1</sup>

## What is the complaint about?

The complaint alleges that DYG's mining operations in northwest Xinjiang, China use or benefit from Uyghur forced labour.

According to the complaint, DYG operates a Qi-2 gold mine ("the Hatu mine") in Hatu, Karamay a mining district in northwest Xinjiang located close to "detention" or "re-education" centers.

To support their allegations, the Complainants refer to DYG's press release dated January 25, 2021<sup>2</sup> and a statement from DYG's Chief Executive Officer (CEO) Ivy Chong reported by *The Globe and Mail* dated January 31, 2021,<sup>3</sup> acknowledging that many ethnicities, including Uyghurs, were part of all ranks of its workforce in the Hatu mine. According to DYG, it provided equitable compensation to all employees and it followed all protocols, including cultural practices and special holidays for religious practices.

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<sup>1</sup> [https://opencorporates.com/companies/ca\\_bc/BC0301721](https://opencorporates.com/companies/ca_bc/BC0301721)

<sup>2</sup> Dynasty Gold Corp. "Dynasty in Legal Action Over 536,000 oz of Gold in Xinjiang" Press Release, January 25, 2021, <https://dynastygoldcorp.com/news-releases/2021/dynasty-in-legal-action-over-536-000-oz-of-gold-in-xinjiang/> (DYG's Press Release, 2021)

<sup>3</sup> R. Fife, "Vancouver miner says China trying to steal Xinjiang gold mine", *The Globe and Mail*, 31 January 2021, <https://www.theglobeandmail.com/politics/article-canadian-gold-mining-junior-accuses-china-of-stealing-the-firm/> (*The Globe and Mail Report*, 2021)



In the press release and *The Globe and Mail* report, DYG also referred to its ongoing legal dispute over ownership and operational control of the mine with its local partner, Western Region Gold Co. Ltd. (Western Gold), a wholly owned subsidiary of the Chinese state-owned enterprise Xinjiang Non-Ferrous Industrial Group Limited (XNF).<sup>4</sup> The Complainants claim that while it is possible that XNF and its subsidiary Western Gold have had operational control of the Hatu mine, this does not remove the responsibility from DYG to ensure that forced labour is not present in its mining operations abroad.

The Complainants indicate that by way of letter dated November 12, 2021 they asked DYG to take a stand and conduct its human rights due diligence (HRDD) to ensure that Uyghur forced labour is not used at the Hatu mine. According to the Complainants, DYG has not replied to their inquiry, nor explained how it undertakes HRDD activities.

The Complainants emphasize that the context in which the mining company operates (alleged human rights abuses in Xinjiang and the Chinese Communist Party's "overall campaign of genocide and repression") is one of heightened risk to human rights. In the absence of a detailed answer from DYG regarding its due diligence activities in the Hatu mine, the Complainants believe it is likely that these risks have not been mitigated and that DYG has not used its leverage to attempt to strengthen the HRDD of its business partner.

## Part 1 - Summary of the Intake stage (or Admissibility stage)

1. On August 1, 2022, based on the information provided by the Complainants, the Ombud decided that the complaint was admissible pursuant to section 6.1 of the [Operating Procedures](#). This means that the Ombud decided there was sufficient information in the complaint to form a reasonable belief that each of the three admissibility criteria was met. The threshold for admissibility is a low one. The admissibility criteria are that:
  - The complaint concerns an alleged abuse of an internationally recognized human right;
  - The alleged abuse arises from the operations abroad of a Canadian company in the garment, mining or oil and gas sector; and
  - The abuse allegedly occurred after May 1, 2019 or, if it allegedly occurred before May 1, 2019, is ongoing at the time of the complaint (Section 5.7, [Operating Procedures](#)).
2. The Ombud's decision was communicated to the Complainants on August 1, 2022.
3. The Ombud attempted to deliver the complaint and a letter dated August 2, 2022 to DYG by priority post. The letter was not claimed by DYG and was returned to the CORE. The CORE

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<sup>4</sup> *Supra* notes 2 & 3.



made multiple unsuccessful attempts to obtain a response to the complaint from DYG and to engage DYG in an initial assessment meeting. Paragraphs 10-17 of this Report provide more information about these attempts. As explained below, the letter and complaint were successfully delivered to DYG by a process server on October 27, 2022. At that time, the complaint was moved to the initial assessment stage of the complaint process.

## Part 2 - Initial Assessment

### Background

4. Initial Assessment is the process for deciding how to proceed with an admissible complaint including how to address any objections from the respondent (the company named in the complaint). The Ombud does not make a decision on the merits of the complaint during initial assessment.
5. The objectives of the initial assessment process are to:
  - Develop a better understanding of the parties' positions regarding the allegations including any objections to the complaint from the respondent;
  - Begin to identify the parties' underlying needs and interests;
  - Provide information regarding the role of the CORE and the different dispute resolution processes;
  - Work with the parties to assess what dispute resolution process may best address the issues raised by the complaint including the allegations and any objections from the respondent.
6. During initial assessment, the Ombud meets with the parties to learn about their views regarding the allegations, respond to their concerns and questions, and seek their agreement to participate in early resolution or mediation. If the parties do not agree to participate in a consensual dispute resolution process, the Ombud will decide how to deal with the complaint including whether to begin an investigation.

#### 1 **Talk to both parties separately**

to develop a better understanding of the complaint without deciding whether it is true or false.

2 **Begin to identify** the parties' underlying needs and interests.

#### 3 **Provide information**

regarding the role of the CORE and the different dispute resolution processes.

#### 4 **Work with the parties**

to decide what dispute resolution process may best address the issues raised by the complaint including any objections from the company.



## The Initial Assessment Process in this Complaint

7. The steps taken by the CORE during the initial assessment of this complaint were as follows:

- i. Desk review of the complaint.
- ii. Virtual meeting with the representatives of the Complainants on November 18, 2022.
- iii. Desk research on media reports and DYG's corporate filings including the following documents:
  - [The Northern Miner Report dated September 1, 2014](#),<sup>5</sup>
  - [The Globe and Mail Report dated January 31, 2021](#); <sup>6</sup>
  - [DYG's Press Release dated January 25, 2021](#); <sup>7</sup>
  - [DYG's Press Release dated April 13, 2022](#); <sup>8</sup>
  - DYG's Management Discussion & Analysis dated November 29, 2022 filed with SEDAR (the System for Electronic Document Analysis and Retrieval).<sup>9</sup> Corporate security related information is filed with SEDAR and is now mandatory for most reporting issuers in Canada.
- iv. Review of the Complainants' and DYG's comments to the draft initial assessment report.

## What the Complainants told the CORE

8. During the initial assessment meeting on November 18, 2022, the Complainants expressed their willingness to participate in early resolution or mediation including agreeing to terms of confidentiality. The Complainants are willing to work towards a systemic resolution that does not name DYG and that finds solutions to address the possible use of Uyghur forced labour and that would help Canadian mining companies to undertake appropriate HRDD in this high risk context.
9. The Complainants indicated their interest in a process to develop verifiable evidence through a third party that DYG is not using forced labour at the Hatu mine.

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<sup>5</sup> T. Saywell, "Dynasty Gold fights to retain assets in China", *The Northern Miner*, September 1, 2014. (*Northern Miner Report*, 2014).

<sup>6</sup> *The Globe and Mail Report*, 2021, *supra* note 3.

<sup>7</sup> DYG's Press release, 2021, *supra* note 2.

<sup>8</sup> Dynasty Gold Corp, "Dynasty Responds to Globe and Mail Publication about its Mining Operation in Xinjiang, China", Press Release, April 13 2022, <https://dynastygoldcorp.com/news-releases/2022/dynasty-responds-to-globe-and-mail-publication-about-its-mining-operation-in-xinjiang-china/> (DYG's Press Release, 2022).

<sup>9</sup> Dynasty Gold Corp, "Management's Discussion and Analysis", November 29, 2022, p. 2, <https://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00005439> (DYG's MDA, 2022).



### Attempts to communicate with DYG

10. Between August 2 and October 27, 2022, the CORE tried repeatedly to deliver the complaint to DYG:
  - a. By email to Ivy Chong at their personal work email address as well as the general email address listed on DYG's website;
  - b. By registered mail at DYG's head office address listed on their website (the letter was returned to the CORE as unclaimed); and
  - c. By process service at DYG's head office address.
11. On October 27 2022, a process server delivered the complaint at DYG's registered office address listed on Small Business BC website (different than the head office address).
12. On November 23 2022, a registered letter inviting DYG to an initial assessment meeting was successfully delivered to DYG's registered office address.
13. On December 16 2022, a letter indicating that the CORE would proceed with the initial assessment of the complaint and draft an initial assessment report without their involvement was sent by email and by mail to DYG's registered office.
14. Between February 20 and March 8 2023, process servers successfully delivered a copy of the complaint and a letter requesting participation in the CORE's complaint process to six advisory board members and directors of DYG located in Canada and in the United States. The same letter was also sent to the email addresses of Ivy Chong and DYG.
15. On March 10 and March 13 2023, the CORE attempted to contact Ivy Chong at the telephone number listed on DYG's website and left voicemail messages asking DYG to contact the CORE.
16. In the latest communication with DYG's advisory board members and directors (described at paragraph 14), the CORE asked DYG to confirm their intention to participate in the initial assessment process by March 15, 2023.
17. The CORE has not received any response to the emails, letters or voice mail messages sent to DYG except from one person who confirmed by email on March 1, 2023 that they are no longer a director or member of DYG's advisory board. While their name was listed on the company's website in February 2023, a recent search confirmed that their name no longer appears on the list of DYG's directors and management.<sup>10</sup>
18. On March 31 2023, as required under section 16 of the CORE's Order in Council, a draft version of this initial assessment report was sent to DYG by email and by registered mail for its comments. On April 27, 2023, DYG's CEO Ivy Chong responded from the same

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<sup>10</sup> <https://dynastygoldcorp.com/corporate/directors-management/>





email the CORE has been using since attempting to deliver the complaint. In its response, DYG informed that its mineral exploration activities in Xinjiang terminated in 2008, which is according to them, prior to the admissible period.

19. Given the above, it is reasonable to conclude that DYG was aware of the complaint from the intake stage and had no intention to participate in the initial assessment stage of the complaint process until it was prompted to provide its comments to the draft initial assessment report before it being published.

### Information obtained from desk research and later endorsed by DYG's submissions

20. The following information was obtained from media reports and DYG's corporate documents. On April 27 2023, DYG endorsed the information while providing its comments on the facts in the draft initial assessment report:

- a. In 2004, DYG received a business license for "Sino-Foreign Joint Venture (SJV)", project between DYG and a Chinese state-owned company, XNF and two of XNF's wholly owned subsidiaries.<sup>11</sup>
- b. Between 2004 and 2008, XNF and Western Gold - a wholly-owned subsidiary of XNF, signed a Memorandum of Understanding ("MOU") with DYG and agreed to form a mining joint venture to jointly fund an exploration and development program at the Hatu mine. In June 2005, SRK Consulting Canada prepared a resource estimate for the Hatu mine and DYG invested more than US \$12 million. According to DYG, while DYG holds 70% interest in the Hatu mine, Western Gold owns the remaining 30% interest.<sup>12</sup>
- c. In 2016, Western Gold reportedly listed the Hatu mine in an IPO on the Shanghai exchange without DYG's consent and without acknowledging DYG's majority ownership in the Hatu mine.<sup>13</sup>
- d. In 2017, DYG reportedly filed a claim against XNF and Western Gold in a court in Xinjiang to restore the joint venture.<sup>14</sup> DYG's CEO Ivy Chong claimed in *The Globe and Mail* report that the Chinese court ruled against DYG and decided that there was no obligation on XNF and Western Gold to form a joint enterprise with DYG.
- e. In its press release issued on April 13, 2022, DYG claimed that since 2008, it has no operational control over the Hatu mine and its joint venture partner Western Gold operates the Hatu mine and manages labour relations without any input from DYG.<sup>15</sup>
- f. DYG also stated that it would pursue a "fair and just outcome" for its investment and would consider other alternatives, such as seeking compensation from its Chinese partner. More recently, DYG's Management's Discussion and Analysis

<sup>11</sup> DYG's Press Release, 2022, *supra* note 8

<sup>12</sup> DYG's Press Release, 2021, *supra* note 2; DYG's MDA, 2022, *supra* note 9 at p. 2.

<sup>13</sup> DYG's Press Release, 2021 & DYG's Press Release, 2022, *supra* notes 2 & 8.

<sup>14</sup> DYG's Press Release, 2021 & DYG's Press Release, 2022, *supra* notes 2 & 8.

<sup>15</sup> *Supra* note 8.



report filed with the SEDAR indicates that DYG is “assessing the situation and is studying its options.”<sup>16</sup>

### Part 3 - How to deal with the complaint

21. The Ombud must decide how to deal with the complaint. The Ombud may decide to:
- Close the file - The Ombud may decide not to deal with the complaint and to close the file after publishing this report pursuant to section 14(2) of the [Order in Council](#); or,
  - Proceed to mediation - The Ombud may decide to proceed to mediation if both parties are in agreement; or,
  - Conduct an investigation using independent fact-finding - The Ombud may decide to investigate the complaint using independent fact-finding pursuant to section 7(b) of the [Order in Council](#).
22. In deciding whether to investigate a complaint, the Ombud considers the overall context of the complaint and relevant factors including whether:
- The complaint is frivolous or vexatious;
  - The complaint is being reviewed or has been reviewed, in another forum.
  - The Canadian company has already provided a satisfactory response or remedy to the allegations in the complaint;
  - Relevant information is likely to be available;
  - Effective remedy is likely to be available; and,
  - An investigation is likely to lead to unacceptable risk to the complainant or others.
23. In considering whether relevant information is likely to be available, the cooperation of the Canadian company named in a complaint is not determinative. The CORE may consider the availability of information from all reasonably accessible sources. As well, in any final report, the CORE may comment on how the cooperation of the parties impacted on the availability of information and other aspects of the investigation.
24. In considering whether any practical or effective remedy is likely to be available in an appropriate case, the Ombud will consider the possible remedies.

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<sup>16</sup> *Supra* note 9.





## Analysis

25. On their face, the allegations made by the Complainants raise serious issues regarding the possible abuse of the internationally recognized right to be free from forced labour, referred to or addressed in following instruments:
- a. Right to be free from slavery or servitude (Article 4, [Universal Declaration of Human Rights, 1948](#));
  - b. Right to work, to free choice of employment, to just and favourable conditions of work (Article 23(1), [Universal Declaration of Human Rights, 1948](#); Article 6.1, [International Covenant on Economic, Social and Cultural Rights, 1966](#));
  - c. Freedom from forced or compulsory labour (Articles 1 & 2, [ILO's Forced Labour Convention, 1930 \(No. 29\)](#), Article 8(3)(a), [International Covenant on Civil and Political Rights, 1966](#); [The Protocol of 2014 to the Forced Labour Convention 1930](#));
  - d. Freedom from forced or compulsory labour as a means of political coercion or of racial, social, national or religious discrimination. (Article 1, [ILO's Abolition of Forced Labour Convention, 1957 \(No. 105\)](#)).
26. The seriousness of the human rights impacts arising from the possible use of Uyghur forced labour is underlined by the [report of the Office of the UN High Commissioner for Human Rights](#) issued in August 2022. The report finds that far-reaching, arbitrary and discriminatory restrictions on human rights and fundamental freedoms were imposed on Uyghurs and other predominantly Muslim communities living in Xinjiang “in violation of international laws and standards” and calls on states, businesses and the international community to take actions in order to end the abuses.
27. The complaint raises questions about DYG’s due diligence activities. [Principles 14 and 17 of the UNGPs and related commentaries](#) indicate that HRDD in high-risk areas such as the Xinjiang region in China be tailored according to nature and context of a company’s operation, types of vulnerable groups, and the intensity and severity of human rights risks and that a company may need to adopt more robust measures in a high-risk operating context.
28. As well, the UNGPs provide guidance regarding the responsibility of companies to be transparent about their HRDD activities. Companies whose business operations or operating context pose risks of severe human rights impacts are required to report formally about how they identify and address those serious human rights impacts ([Principle 21 and its commentary of the UNGPs](#)). When concerns are raised by or on behalf of affected or other relevant stakeholders, companies need to provide sufficient information and ensure that their reporting/communication is accessible to the intended audiences.



29. Lack of operational control – if established at a later stage-- might impact DYG`s ability to identify risks and take appropriate risk management measures. This situation also raises questions about DYG's possible leverage. Leverage exists where a company has the ability to effect change in the wrongful practice of an entity that causes the human rights abuse. The UNGPs provide that a company has an obligation to exercise leverage with respect to its business partner in order to prevent or mitigate adverse human rights impacts. On the other hand, if a company lacks the leverage and is unable to increase its leverage, the company has to consider ending the business relationship taking into account potential adverse consequences of its exit ([Principle 19 and its commentary, UNGPs](#)). It is not clear from DYG`s website, corporate documents filed with SEDAR, and DYG`s press releases whether DYG -while investing at the Hatu mine --used its leverage to ensure that Hatu mine employees do not comprise Uyghur forced labourer. In the event DYG has no leverage – specially when DYG started to encounter operational challenges -- whether DYG considered ending or terminating the business relationship with Western Gold. It is clear from the [press release](#) dated April 13, 2022 that DYG is still looking forward to pursue “just and fair” outcome for its investment in the Hatu mine.
30. DYG`s assertion that it terminated its mineral exploration activities in Xinjiang in 2008 does not seem to be supported by its press releases dated January 25, 2021 and April 13, 2022. Rather, these raise questions about the degree of control that DYG has over the mine`s operations. DYG`s [press release](#) dated April 13, 2022 refers to “no current operations in Xinjiang” and how DYG is encountering “challenges in continuing operations at the Hatu mine.” On the other hand, DYG`s website continued to refer to its Hatu mine project until very recently. At the time of writing this report, DYG`s [website information](#) has been revised to reflect that its exploration projects are confined to North America. Despite this information, DYG`s continuous assertion of majority interest (70%) in the Hatu mine in its corporate documents and in the press releases raises questions as to the process and form of termination of DYG`s mineral exploration activities such as:
- a. Whether any notice of termination was issued from DYG;
  - b. Whether the termination – as alleged by DYG—was followed by any agreement or whether it involved any dissolution of DYG`s joint venture with Western Gold; and
  - c. Whether the termination involved any sale or transfer of interests etc.
31. If the Ombud decides to investigate the complaint, there will be an ongoing opportunity for DYG to respond and participate including providing additional information regarding the alleged termination of its activities in the Hatu mine and/or its degree of control over the Hatu mine and information about its HRDD activities including leverage.



32. Given the broader context of the complaint and challenges in gathering information on an in-country basis, independent fact-finding may be limited. The availability of information would need to be assessed as the investigation progresses and would be considered in any final report.
33. The complaint does not name individuals or make individuals identifiable thereby reducing the potential for an investigation to increase risk to individuals. If the Ombud decides to investigate the complaint, an assessment of risk will be ongoing throughout the investigation.

#### Part 4 - Lack of full and active participation by DYG

34. As of the date of this report, DYG only provided its comments to the draft initial assessment report. Prior to that, DYG appears to have deliberately avoided participating in and cooperating with the CORE's dispute resolution process without providing any explanation.
35. [Operating Procedures](#) provide that full and active participation in the complaint process is part of good faith:

Section 11.1 requires the parties to fully participate in the complaint process including by providing the Ombud with relevant information and documents and making witnesses available on reasonable notice, according to the timelines established by the Ombud.

Section 11.2 provides that where a Canadian company does not participate actively in the complaint process, including refusing to provide relevant information and documents, the Ombud may draw appropriate negative conclusions or adverse inferences during fact-finding.

Section 12.4 provides that the Ombud may consider a party not to be acting in good faith if the party does not actively participate in a review without reasonable explanation.

36. Given DYG's limited participation so far in the process, the Ombud may consider the question of good faith participation at a later stage. The Ombud may exercise their discretion under section 10 of the [Order in Council](#) which provides that they may make recommendations to the Minister on implementing trade measures including any of the following:
  - a. Withdrawal or denial of trade advocacy support provided to the Canadian company by the Department of Foreign Affairs, Trade and Development (known as "Global Affairs Canada");
  - b. Refusal by the Department of Foreign Affairs, Trade and Development to provide future trade advocacy support to the Canadian company; and
  - c. Refusal by Export Development Canada to provide future financial support to the Canadian company.



## Part 5 - Comments from the parties

### Comments from the Complainants

37. On April 11, 2023, the Complainants provided the following comments to the draft initial assessment report:

- a. DYG's denial of operational control over the Hatu mine should not be taken at its face value. DYG's press release dated April 13, 2022 was issued two days after the complaint was filed with the CORE and after The Globe and Mail Report was published. Both statements may be "motivated by a desire to abdicate responsibility." DYG's denial of operational control and failure to cooperate with the CORE illustrate the importance of the investigation by the CORE.
- b. Even if DYG does not have operational control, DYG is still responsible for ensuring that forced labour is not present in the Hatu mine over which it asserts 70% ownership.
- c. Closing the file would incentivize the non-cooperation of the Canadian companies with the CORE's dispute resolution process. On the other hand, all the factors mentioned in para 21 of this report and the overall context of the complaint call for an investigation using independent fact-finding.

### Comments from DYG

38. On April 27, 2023, DYG provided the following comments to the draft initial assessment report:

- a. The allegations in the draft initial assessment report are not supported by any evidence;
- b. DYG terminated its mineral exploration activities in Xinjiang in 2008 and DYG no longer has operational control over the mine. The alleged human rights violations arose more than a decade after DYG left Xinjiang. In support, DYG attached its press releases dated January 25, 2021 and April 13, 2022.

## Part 6 – Ombud's decision

39. On August 1, 2022, the Ombud decided that the complaint was admissible and advised the Complainants and DYG of their decision by email. While the Complainants participated in an initial assessment meeting on November 18 2022, DYG has not responded to the Ombud's letters except providing comments to the draft initial assessment report on April 27, 2023.

40. To move forward with mediation or a joint fact-finding investigation, the full and active participation of both parties is essential. While the Complainants have indicated that they are open to all dispute resolution options, DYG states that it has no further comment other than the fact that it does not have any operational control over the Hatu mine. It is



reasonable to conclude that DYG is not interested in pursuing mediation or joint fact-finding investigation at this point.

41. In order to address the allegations raised in the complaint and DYG`s position that it does not have operational control over the mine and that the allegations of human rights abuse arose after it left the region, the Ombud has decided to launch an investigation using independent fact-finding. The Ombud relied on the following considerations in reaching their decision:

- a. On its face, the complaint raises serious allegations regarding the possible abuse of the international human right to be free from forced labour. DYG`s brief response to the complaint raises questions of fact that warrant investigation. For example, DYG`s comments and the information submitted through DYG`s press releases do not indicate that DYG has terminated its activities in Xinjiang since 2008. Rather, both press releases mention that the statements in the press releases are forward-looking statements and there are “no assurances that such statements are accurate.” As mentioned in paragraph 30 of this report, DYG`s continued assertion of 70% interest in the Hatu mine raises questions as to the process and form of termination of its investment activities in the Hatu mine. As a result, an independent fact-finding investigation is necessary to clarify the status of DYG`s operations in Xinjiang;
- b. The complaint is not being reviewed or has not been reviewed in another forum;
- c. In order to address forced labour, Canadian mining companies operating abroad need to i) know how the risk of forced labour might arise from their investment or business activities; ii) identify the presence or potential presence of forced labour; iii) adopt robust HRDD to ensure effective prevention and remediation of forced labour and to prevent importation of goods mined with forced labour; iv) exercise heightened caution in doing business or investing in Xinjiang; v) exercise leverage over their business partner to prevent and mitigate forced labour risks and, in the event there is no leverage, consider a responsible exit from the investment or business relationship; and vi) finally, effectively communicate their HRDD policies and strategies to relevant stakeholders especially when complaints are lodged against their investment or business activities in areas where there is a high risk of forced labour. DYG`s lack of participation in the CORE process so far and the last-minute response they provided to the draft initial assessment report raise questions about DYG`s transparency regarding HRDD and DYG`s possible leverage;
- d. An investigation is unlikely to lead to unacceptable risk to the complainants or others;



- e. During the investigation, DYG will have the opportunity to provide further relevant information relating to termination of its activities in Xinjiang and its leverage with its partner Western Gold. DYG could also decide to engage actively in a consensual dispute resolution process such as mediation at any given time prior to a final decision being made; and
- f. An investigation based on independent fact-finding might be challenging considering the availability of the necessary information from Xinjiang and uncertain cooperation from DYG. However, pursuant to Section 11.8 of the [Operating Procedures](#), the Ombud may seek assistance from experts, carry out context-appropriate research, and ask for submissions from mining industry associations, civil society organizations, and other interested persons.



## ANNEX-1

### **Complainants: A coalition of 28 organizations**

1. Canadians in Support of Refugees in Dire
2. Need (CSRDN)
3. Alliance Canada Hong Kong
4. Anatolia Islamic Centre
5. Canada Tibet Committee
6. Canadians Against Oppression & Persecution
7. Canadian Council of Muslim Women (CCMW)
8. Canadian Council of Imams (CCI)
9. Canada-Hong Kong Link
10. Doctors for Humanity
11. East Turkistan Association of Canada
12. End Transplant Abuse in China (ETAC)
13. Human Rights Research and Education Centre, University of Ottawa
14. Human Concern International (HCI)
15. Islamic Circle of North America Canada (ICNA)
16. Islamic Society of North America (ISNA)
17. Justice for All
18. Lawyers for Humanity
19. Muslim Association Canada (MAC)





20. National Council of Canadian Muslims (NCCM) Raoul Wallenberg Centre for Human Rights
21. Canadian Security Research Group
22. Share 2 Care (S2C)
23. Stop Uyghur Genocide Canada
24. Toronto Association for Democracy in China
25. Union of Medical care and Relief Organizations-Canada (UOSSM)
26. Uyghur Refugee Relief Fund
27. Uyghur Rights Advocacy Project
28. Vancouver Society in Support of Democratic Movement