

Ejido of Carrizalillo, Municipality of Eduardo Neri, Guerrero, México

Communiqué

November 12, 2020

The ejido of Carrizalillo informs the general public that yesterday, after numerous attempts to reach an agreement to resolve the shut down at Equinox Gold's Los Filos mine, we are faced once again with a company negotiating team incapable of understanding the many efforts that the ejido has made over and over again.

Vice President of External Affairs and Social Responsibility, Dr. Georgina Blanco, who heads Equinox's negotiation team, repeatedly refuses to stop imposing positions on us as if the company were a victim, when the multiple communiqués we have issued have made clear the motives for the shut down, explaining that this conflict is the result of the company's lack of capacity to understand, address and resolve its breaches of the social-cooperation agreement. Several of them from Canada, for example, on the issue of water, the CEO of Equinox Gold, Mr. Milau cynically stated during the company's third quarter call for investors that the water in Carrizalillo is "safe to drink" when it does not even meet the norms as a result of its high arsenic content for human contact, let alone for drinking.

During the 69 days that we have been stopping the company's operations, the company has received different types of support, including from the State Attorney for Guerrero, Mr. Jorje Zuriel de los Santos. Uninformed and acting outside his role, the State Attorney stated [in the local press today], "that the encampment outside of Equinox Gold's mine gates was lifted, such that there is follow up on the advances."

It is important to clarify for the public that this conflict has three main elements: 1. A protest, referring to the ejido's encampment that we set up alongside one of the entrances to the company's [mine]; 2. Closure of the mine's access gates, which effectively prevents the company from operating; and 3. Talks and negotiations to develop a social-cooperation agreement that would prevent further breaches by the company.

Yesterday, November 11, when we believed that we had made significant headway over the agreement, we decided to request permission from our community assembly to lift the protest camp and open the access gates to the mine, as a gesture that the conflict was nearing resolution and that we would continue to negotiate. Given the community's past experience with the scheming and deception that the companies that have occupied our land have used to betray us - including when we agreed to let Equinox operate on September 11 -, it was with much difficulty that the assembly agreed. We went back to the negotiating table pleased to report that the assembly had given its support for the ejido's request. However, [in response], Dr. Georgina Blanco inexplicably began to refuse and condition the assembly's request until, once again, we reached the point of breaking

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off talks, putting at risk everything that has been achieved to date and possibly worsening the situation.

[As of today], the assembly of Carrizalillo has lifted the encampment, but the entry to the mine remains closed and the social-cooperation agreement has not been settled. The company must determine if it will toss the ejido's efforts out the window and once again put its shareholders' and creditors' investment at risk as a result of its lack of ability to negotiate and to impose conditions where it cannot. We have taken steps to reach a solution, but we will not be subjected to nor worn down by the irrational institutional position led by Mr. Milau and his representative Dr. Georgina Blanco.

The company has already withdrawn its projections for 2020, its shares have fallen 20% on the stock exchange since the start of the conflict, and, earlier this week, Mr. Milau spent nearly a half an hour talking about Carrizalillo during his quarterly call with analysts and shareholders, demonstrating that this issue has gotten out of the company's control. The company is beginning to pay the costs for its loss of reliability given its lack of capacity to resolve a simple conflict as a result of its own stance and stubbornness that has unnecessarily complicated things. We do not care about the company's economic losses because we have already lost everything for having permitted [mining activities on our lands] before understanding the consequences.

The conflict with us is not over and we dare to say that if the company and its negotiations team continue with their discriminatory attitude, arrogance, self-victimization and continual lies, and does not provide trustworthy information at its events in Canada, it will not be able to heal these wounds.

As a ejido we remain open to wrap up this dispute, but we reiterate that we will not do subjected to the terms the company imposes on us, but rather through the construction of shared agreements.

Attentively

Agrarian representatives of the ejido of Carrizalillo