



September 10, 2021

Belo Sun  
800-65 Queen Street West  
Toronto, Ontario  
M5H 2M5

To Whom It May Concern,

We would like to take the opportunity to respond to your [letter](#) to the Business and Human Rights (BHRRC) on July 29, 2021 regarding the [complaint](#) sent to the Ontario Securities Commission (OSC) on July 29, 2021. We feel that your response does not answer the concerns raised in our complaint to the OSC, including the following:

In a previous [response](#) dated July 30, 2021, you acknowledge that the Construction Licence (LI) “was suspended until an Indigenous Study was completed adhering to FUNAI protocols and consultations with the Indigenous Communities.”

- However, earlier this year during the [PDAC convention](#) and in an [interview](#) with the Canadian Broadcasting Corporation (CBC News), Belo Sun's president and CEO, Peter Tagliamonte, claimed that the Volta Grande project was "fully authorized" and that construction was expected to begin at the end of 2021. Similarly, he explained that the environmental licensing process was delayed exclusively due to the COVID-19 pandemic, failing to mention serious threats to Belo Sun's operations due to the ongoing suspension and potential cancellation of its environmental licences. These statements contradict the real status of the project, as evidenced by the vast documentation and numerous lawsuits detailed in our complaint.
- Could you clarify why Mr. Tagliamonte claimed that the project was in compliance with regulatory requirements to Canadian investors when you knew, as you say in this response, that this was clearly not the case in March 2021?
- The indigenous studies presented to FUNAI do not, by themselves, meet the necessary requirements to lift the suspension of the Installation Licence, since they need to be presented, discussed, and approved together with the impacted communities. As you are aware, the consultation process will only be completed once all affected communities



have reviewed the study provided by Belo Sun, discussed it and added their own perspective, and voted internally, according to their own protocols, to approve it.

You say that “Contrary to any false claims recently made, Belo Sun has always been committed to accurate and timely disclosure related to all relevant developments in the permitting process for the Volta Grande gold project, including any court judgements or rulings.”

- Could you provide documentation that demonstrates that the claims we make in the complaint are false?

You say that “The Company appreciates the COVID-19 situation and will only present the Indigenous Study to the Indigenous Communities respecting their traditions and land when it is determined to be safe to do by the appropriate stakeholders, the relevant Indigenous Communities, while adhering to the required health and safety protocols and COVID-19 guidelines stipulated” by local regulations.

- As we show in the complaint earlier this year local media [revealed that the company had been pressuring FUNAI](#) to conduct in-person consultations, after Indigenous communities stated they would not accept virtual meetings as an alternative.

You say that “Belo Sun’s approach is to always proceed in a responsible, and thoughtful manner and to develop the Volta Grande gold project by listening to all stakeholders and respecting and adhering to local Indigenous people’s comments and suggestions and following Brazilian regulations.”

- The Public Defender's Office of the State of Pará has thoroughly documented mounting complaints of intimidation and harassment against those who oppose the project. Communities argue that far from bringing positive benefits to the communities, the project has damaged the social fabric of traditional riverine communities and Indigenous peoples from the Volta Grande of the Xingu by co-opting local leaders and spreading false information. Moreover, the company is facing four lawsuits for lack of consultation and compensation measures for affected communities.
- Could you provide documentation of the process being developed and executed to ensure that local communities can exercise their right to oppose the project in a safe manner?

You say that “Belo Sun is sincerely committed to environmental responsibility and sustainability and being a positive part of our host communities around the region of the Volta Grande Project.”

- However, as we noted in the letter of concern to the OSC, the company’s refusal to acknowledge impacts in indigenous territories along the Xingu river has led to the court



decision that suspended the installation licence of the Volta Grande project in 2017 until “free and informed consultation” was carried out.

- We also note that the company has not yet conducted studies that consider the synergetic impacts of the Belo Monte Dam and Belo Sun, nor has it described the impacts of the mining project on the riverine territories or included them in the consultation process.

You say that “We believe the Volta Grande gold project will bring positive benefits to the local Communities, Indigenous Communities, the municipality, the region, and Brazil while also ensuring good environmental compliance, positive environmental opportunities and create broad economic benefits, making it a project worthy of support from all groups.”

- Although the installation licence is suspended and Belo Sun prohibited to proceed with any acquisition of territories or implementation of its structure on the ground, the Public Defender’s Office, together with the Federal Public Ministry’s office, are [investigating several claims by local communities](#) that the company is occupying public land that belongs to the Brazilian state, locking down the common areas used by communities for plantation of açaí; obstructing access to the river; and harassing local residents in their everyday routine and productive activities. Could you explain Belo Sun's interest in hiring a private security company and what you are doing to respond to those claims of harassment and illegal possession of federal property? Is Belo Sun instructing and monitoring the behaviour of the hired security to avoid aggressive approaches to the local community?

We look forward to your response.

Sincerely,

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