

The allegations of not complying with the Guatemalan Constitutional Court ruling which ordered Fenix Mine operations to be suspended are based on manipulation of the facts and therefore are misleading.

The project in Guatemala operates under two extractive licenses Fenix and Montufar issued to the extractive company Compania Guatemalteca de Niquel (CGN). The Pronico processing plant is owned by an independent legal entity (Compania Procesadora de Niquel de Izabal, Pronico). Both Solway's subsidiaries CGN and Pronico in their operations are directed by the applicable laws of Guatemala and the courts decisions.

The official notification on suspension was received by CGN on 04.02.2021, stating that mining operations should be suspended the next day. Upon receiving of the said notification from the Ministry of Energy and Mining of Guatemala (MEM), CGN strictly adhered to the court order of July 2019 and halted immediately its operations falling under the Fenix license.

According to the relevant laws and regulations of Guatemala, all the public consultations ruled for by the Constitutional Court of Guatemala in connection with the Fenix license suspension fall under the responsibility of the Ministry of Energy and Mines (MEM) and are regulated by the Constitutional Court's guidelines. In these procedures CGN management is obliged to fully comply to the MEM requirements.

As per the official statement issued by the government of Guatemala on October 24, 2021, the pre-consultation process that began on September 28 regarding Fénix mining extraction, located in El Estor, Izabal, and whose area of influence reaches that municipality and that of Panzós, Alta Verapaz, fully complies with the provisions of the Judgment of the Constitutional Court dated June 18, 2020, File No. 697-2019.

<https://prensa.gob.gt/comunicado/ante-la-serie-de-hechos-violentos-que-alteraron-el-orden-publico-y-atentaron-contra-la>

On 6 January 2022, CGN, Solway's subsidiary in Guatemala, was officially informed by the Ministry of Energy and Mines (MEM) that Minister Alberto Pimentel Mata signed a resolution. The resolution allows CGN to reactivate nickel extractive operations in the 6.29 square kilometre territory licensed by the definitive Constitutional Court decision issued in August 2020. The resolution was approved after a consultation process with the populations of El Estor (Izabal) and Panzós (Alta Verapaz) was completed in December 2021. MEM indicated that the consultations were carried out in compliance with the rules of Convention 169 of the International Labor Organization on the rights of indigenous peoples. On 01.02.2022 CGN has restarted its extraction operations. The official statement issued by Guatemala's Ministry of Energy and Mines (MEM) can be found here: <https://prensa.gob.gt/comunicado/mem-firma-resolucion-para-reactivar-derecho-minero-fenix>

The works at Montufar have never been the subject of a legal dispute and are not regulated or otherwise affected by the aforementioned 2019 court decision.

The Pronico processing plant's operations are not subject to any licensing under the Mining Law (Ley de minería), the company has not been the subject of the mentioned litigation and not is regulated or otherwise affected by the aforementioned 2019 court decision.

Please see the related statement published on our website: <https://solwaygroup.com/2021/10/24/official-statement-of-solway-investment-group-in-response-to-the-media-reports-on-the-protests-in-guatemala/>

Kind regards,

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