

IN RELATION TO THE ARRESTS OF JERSON ANTONIO XITUMUL MORALES AND JUAN CAAL SURAM IN EL ESTOR GUATEMALA

As we have already stated in our official communiqué, dating back to May 27, 2017, CGN/Pronico was not a part of the armed conflict between the police forces and a group of protestors and, therefore, could not by any means be held responsible for the consequences of criminal acts that took place in El Estor back in May.

Jerson Antonio Xitumul Morales and Juan Caal Suram were arrested as a part of an investigation initiated by a group of civilians who filed law suits in relation to the criminal acts of armed hostage taking that took place on May 4 -5, 2017. Since the events in May, CGN/Pronico has been supporting civilian and militant victims of the conflict by providing them with assistance in medical treatments and related rehabilitation procedures.

As per the statement of the Ministry of Environment and Natural Resources dated back to May 15, 2017 the water quality analysis showed that the water pollution was generated not by the Company's operations but by the local communities residing along the Polochic River and the lack of sewage system in residential areas. The problem of brown water plants increases during rainy seasons when polluted waters streaming down from the Polochic River enter the waters of Lake Izabal. This causes growth of the population of damaging microorganisms "malicious algae". The authorities are willing to help local communities resolve this challenge by developing a plan of operations for cleaning and providing payment to the locals engaged in cleaning the waters from the affected plants.

As a part of response to this statement, CGN/Pronico together with The Universidad de San Carlos de Guatemala developed a joint program aimed at monitoring water biodiversity to ensure the impact from the Company's activities stays within the IFC's environmental standards.

CGN/Pronico is willing to continue the dialogue with the local communities and cooperate on the projects aimed at saving and restoring the region's natural biodiversity and is willing to support the governmental initiatives in cleaning and monitoring waters of Lake Izabal. These include but are not limited to regular reforestation, water canal maintenance, and other programs to monitor air, water and soil quality, noise level, and local flora and fauna. Overall, CGN/Pronico invests over one million USD in local infrastructure development, and educational, sport, cultural and healthcare projects annually.