

Quito, 17 June 2020
LG-Q-ADQ-586-020

Ms. Christen Dobson, Senior Project Lead & Researcher
Ms. Marti Flacks, Deputy Director, North America
Business & Human Rights Resource Center
110 Wall Street
New York, NY
10005
USA

Dear Ms. Dobson,
Dear Ms. Flacks,

I am writing in response to your communication of 15 June 2020, in which you request additional information from Lundin Gold regarding an incident that recently occurred in Zamora, Ecuador associated with our Fruta del Norte (FDN) mine.

One of Lundin Gold's fundamental principles is respect. We take very seriously our commitments to respect human rights in all of our activities. I would therefore like to express our appreciation for the opportunity to provide more complete information about this incident, as a number of aspects have been incorrectly reported in the press and in the publication you reference, "Voices from the Ground: How the Global Mining Industry is Profiting from the COVID-19 Pandemic". An important point to correct is that FDN is wholly-owned and managed by Lundin Gold. While Newcrest is a major shareholder in Lundin Gold, it is not a joint operator of the mine as is implied in the publication.

I want to take this opportunity to provide background on recent activities associated with the Covid-19 crisis in Ecuador and its impacts upon the strategic sectors and FDN:

- On 17 March 2020, President Lenin Moreno issued Decree 1017 in which freedom of transport was restricted nationwide, with a number of exceptions, including transport associated with the strategic sectors, which includes large-scale mining (such as FDN), oil and gas, as well as other industries.
- Also on 17 March 2020, the Minister of Energy and Non-Renewable Natural Resources, Mr. René Ortiz, issued Ministerial Resolution MERNNR-MERNNR-2020-0004-RM, in which impeding any activity associated with the strategic sectors was prohibited.
- Nevertheless, on 22 March 2020, Lundin Gold temporarily ceased mining activities at FDN. This decision was taken due to the uncertainty surrounding the Covid-19 outbreak in Zamora Chinchipe, and it was done in coordination with national and local government, including the Provincial Emergency Operations Committee. The mayor of the city of Zamora is part of this committee.
- Over the subsequent weeks, the Company developed rigorous transportation protocols. These protocols were approved by the National Emergency Operations Committee (which

has jurisdiction over strategic projects) and shared with the provincial government and the Provincial Emergency Operations Committee.

- On 15 May 2020, the National Emergency Operations Committee approved a mining industry protocol that defined the activities to be undertaken by the industry. This protocol complemented the protocols already put in place by Lundin Gold.
- As such, all relevant local and national officials were aware of the Company's plans to restart the transport of material to and from FDN. These convoys commenced on 15 May 2020.
- In order to ensure that such transport was as efficient as possible, military and police escorts accompanied the convoys.

Though the cited report notes an incident occurring on 17 May 2020, in fact it occurred during the evening of 16 May 2020. It is not disputed that the mayor of the city of Zamora, together with a group of 15-20 supporters, blocked the main road and thus prevented the convoys from passing. Subsequently, it is our understanding that:

- The police officers present spoke with the group to inform them of the national government's jurisdiction over the strategic sectors and the requirement to allow safe passage for associated vehicles.
- The group refused to leave the road.
- The police then started to clear the roadblocks, at which time a scuffle ensued and several protesters assaulted the police. As a result, three of the protesters were arrested.

Lundin Gold is committed to the well-being of all our employees, contractors and local communities. The above-noted protocols are based upon international best practice and the requirements of the Ecuadorian government and exist to ensure that the transport of material through communities does not present a risk of Covid-19 infection.

Lundin Gold is proud of all that has been achieved since our arrival in Ecuador in 2015, both at FDN and in local communities. Through our many local, national and international partnerships, we are committed to bringing significant economic, social and environmental development to local communities. We remain steadfast in our commitment to operate transparently. We welcome any further questions or clarifications you may require.

Sincerely,



Ronald Francis Hochstein
President and CEO
Lundin Gold

cc: Nathan Monash, Vice President Sustainability