



February 9, 2018

Ella Skybenko and Christen Dobson
Business & Human Rights Resource Centre
2-8 Scrutton St
London, United Kingdom
EC2A 4RT

Dear Ms. Skybenko and Ms. Dobson,

Re: Reporting on RBC Asset Management – Invitation to respond

Thank you for your email addressed to Damon Williams, CEO of RBC Global Asset Management (“RBC GAM”). RBC GAM is a wholly owned subsidiary of the Royal Bank of Canada (“RBC”) that manages the assets of institutional and retail clients. As Vice President and Head of Corporate Governance & Responsible Investment (“CGRI”) for RBC GAM, I am pleased to respond to your inquiry.

At the outset, I would like to thank you for taking the time to raise these issues with us. Lydian International (“Lydian”) is held in the RBC Global Precious Metals Fund in accordance with the fund’s mandate to invest in companies throughout the world involved in exploration, mining and production of precious metals. We have a fiduciary duty to invest our clients’ assets in accordance with our clients’ best financial interests and the terms of the relevant investment mandate.

At RBC GAM, we view the integration of environmental, social and governance (ESG) factors into our investment processes as part of our fiduciary duty. Assisted by the CGRI group, our investment teams carefully consider all ESG factors that may have a material impact on our investments. We also take an active approach as an investor and engage directly with management and/or the directors of the companies in which we are invested in to understand and improve their approach to ESG issues. In this way, we believe we are in a better position to effect change than if we are not invested in those companies at all.

Our RBC Global Precious Metals Fund portfolio managers have been closely monitoring Lydian and its operations, including the Amulsar mine project, over the past four years. Our team has been in direct contact with company management and continues to carefully monitor the company, including analysis of the Amulsar project’s environmental impact. As an update, I have provided the team with the information you forwarded to ensure that it is considered as part of the ongoing evaluation of our investment. In addition, we will consider the issues you have raised as part of our ongoing engagement program. As noted above, we often engage with a

company directly to understand its approach to environmental and community issues and, where warranted, use our position as investors to try to improve that approach.

If you would like more information on our approach to responsible investment, we encourage you to visit the "[Corporate Governance and Responsible Investment](#)" page of rbcgam.com where you will find, among other things, our "[Approach to Responsible Investment](#)" and our latest [Corporate Governance & Responsible Investment Report](#).

Once again, we thank you for raising these issues with us.

Best regards,

RBC Global Asset Management Inc.

A handwritten signature in black ink, appearing to read 'Judy Cotte', with a large, sweeping flourish extending to the left.

Judy Cotte, LL.M.
VP & Head, Corporate Governance & Responsible Investment

cc: Damon Williams
Chief Executive Officer
RBC Global Asset Management