



May 6, 2021

Business & Human Rights Resource Centre (www.business-humanrights.org)

Attn: Marina Novaes (Brazil Researcher & Representative) and Mauricio Lazala (Deputy Director)

Thank you for the opportunity to respond to your second inquiry regarding our Aurizona Mine in Brazil.

As per our previous response dated April 14, 2021, From March 23-25 the northwest region of Maranhão State, Brazil received exceptionally heavy rain (more than 450 mm), described as a 1-in-10,000-years rain event. Widespread flooding in the region washed out many roads and increased turbidity in waterways and local sources of drinking water. Along with many other lakes and rivers in the region, on March 25 a small freshwater pond on our property known as Lagoa do Pirucáua overflowed.

The overflow continues to be incorrectly reported by some independent media outlets as a “tailings dam” failure. There was no tailings dam failure. The heavy rain event and resulting regional flooding had no impact on the operational structures at the mine, including our pits, tailings storage facility and waste rock facilities, which remain intact and operating normally. These facts have been confirmed by regulators as published on the Brazil National Mining Agency’s website. A third-party report has also confirmed there was no release of “toxic chemicals” from the mine as alleged in some articles.

Mine site personnel reacted quickly to support neighbouring communities, including by transporting people across roads when they were flooded and helping to quickly restore road access, delivering clean water by truck to supplement household water supplies, and delivering bottled drinking water to supplement community supplies. We also offered our assistance to improve the nearby community’s water treatment plant by upgrading the filtration capacity to address excess turbidity from the flooding.

Although the water treatment plant was functional within a few days following the installation of upgraded filters, we have received feedback from the community that storage capacity and the current water treatment facility are not sufficient for the community’s needs. To support the community and ensure every household has access to potable water and drinking water until these issues can be resolved, we have installed water storage tanks throughout the village and are delivering potable water by truck, and we have continued to deliver bottled drinking water to supplement community supplies.

In addition, as a sustainable community investment project, the Company has announced its decision to install a new water treatment plant to replace the community’s current facility, which will improve both water quality and access, and will seek partnerships with the local community and government to ensure the sustainability of the project.

We are communicating regularly with community members and local government to keep them informed about our efforts to improve the community’s access to water, and continue to work closely with community leaders, government agencies and regulators to ensure our measures are aligned with the community’s long-term needs.

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Rhylan Bailie
VP Investor Relations