

SUN VALLEY GOLD LLC

INVESTMENT ADVISORS

August 9, 2024

Mary Lawlor

Special Rapporteur on the situation of human rights defenders

Robert McCorquodale

Chair-Rapporteur of the Working Group on the issue of human rights and transnational corporations and other business enterprises

David R. Boyd

Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment

José Francisco Cali Tzay

Special Rapporteur on the rights of Indigenous Peoples

Office of the United Nations High Commissioner for Human Rights

Palais des Nations CH-1211 Geneva 10, Switzerland

Re: United Nations Special Rapporteurs on the Rights of Indigenous Peoples and Related Concerns Ref: AL OTH 16/2024

Dear Special Rapporteurs,

I apologize for the delay in replying to your letter dated March 12, 2024, as I was only recently made aware of it. Nonetheless, I appreciate this opportunity to provide Sun Valley's perspective on the allegations regarding Belo Sun Mining Corporation ("BSX") and Belo Sun's Volta Grande project (PGV) in Brazil.

Sun Valley Gold LLC is an investor in numerous mining companies worldwide. As an investor we focus on companies and projects that we believe will adhere to the main principles of responsible mining practices in the gold mining industry, practices that are designed to ensure environmental protection, social responsibility, and economic sustainability. The key principles and practices that guide our investment decisions are:

Environmental Stewardship

1. **Minimizing Environmental Impact:** Implementing practices that reduce the environmental footprint, such as reducing land disturbance and protecting local biodiversity.
2. **Water Management:** Efficiently using and protecting water resources, including treating and reusing water and preventing contamination of local water bodies.

3. **Waste Management:** Properly managing mining waste to avoid pollution, including tailings and waste rock, through secure storage and recycling efforts.
4. **Energy Efficiency:** Reducing energy consumption and using renewable energy sources where possible to lower greenhouse gas emissions.
5. **Rehabilitation and Closure:** Planning for mine closure from the outset and rehabilitating the land to its natural state or preparing it for sustainable post-mining use.

Social Responsibility

1. **Community Engagement:** Engaging with local communities to understand their needs, mitigate impacts, and ensure their participation in decision-making processes.
2. **Respecting Indigenous Rights:** Acknowledging and respecting the rights and cultures of Indigenous peoples, including obtaining Free, Prior, and Informed Consent (FPIC) for mining activities on their lands.
3. **Fair Labor Practices:** Ensuring fair wages, safe working conditions, and respect for workers' rights throughout the mining lifecycle.
4. **Social Investment:** Investing in community development, such as education, healthcare, and infrastructure, to improve the quality of life for local populations.

Economic Accountability

1. **Transparent Reporting:** Providing clear and accurate information on mining activities, financials, and impacts to stakeholders.
2. **Anti-Corruption Measures:** Implementing policies to prevent corruption and ensure ethical conduct in all business dealings.
3. **Fair Revenue Distribution:** Ensuring that mining revenues contribute to local and national economies, benefiting both the community and the country.

Compliance and Governance

1. **Adhering to Regulations:** Complying with all local, national, and international laws and regulations governing mining activities.
2. **Implementing Best Practices:** Adopting industry best practices and continuously improving operational standards.
3. **Risk Management:** Identifying, assessing, and managing risks associated with mining operations to protect the environment and stakeholders.

Continuous Improvement

1. **Innovation and Technology:** Leveraging new technologies and innovations to improve mining efficiency and reduce environmental and social impacts.
2. **Sustainable Practices:** Continuously seeking ways to enhance sustainability in all aspects of mining operations.

By adhering to these principles, gold mining companies can operate more responsibly and contribute positively to society and the environment. We believe that BSX is one such company

and as a 24% owner of BSX we are committed to supporting BSX in its efforts to advance PVG sustainably and responsibly.

I have reviewed the allegations detailed in the March 12, 2024 letter and have discussed the allegations with Belo Sun's management. Based on that review, discussions with Belo Sun, and Sun Valley's knowledge of PVG's history, Sun Valley has concluded that the allegations of human rights violations by BSX are unwarranted.

1. **Intimidation and Suppression Allegations:** Belo Sun has not engaged in any direct or indirect actions to intimidate or suppress opponents of the Volta Grande Project (PVG). It is our understanding that there has never been any criminal lawsuits regarding the conduct of the Company's security contractor at PVG, and, to our knowledge, the security contractor has never been charged by the authorities with an offense with regards to PVG.
2. **Lawsuit Against Trespassers:** The lawsuit against the trespassers and their supporters is substantive and warranted. It addresses the illegal occupation of PVG lands and aims to protect the company's legal rights and ensure the safety and security of the project area.
3. **Community Relationships:** Belo Sun maintains positive relationships with its local communities, including Indigenous communities. The company invests in various programs to support community development, expand opportunities, and improve the quality of life for local residents.
4. **Environmental Safeguards:** The proposed mine at Volta Grande is designed and engineered to minimize environmental risks. The operation will not extract water from the Xingu River or any other local water body, nor will it cause flooding or alter the river's flow.

Throughout the Volta Grande Project's existence and our tenure as a shareholder, I have observed and remained informed about the company's actions. Based on this, I do not accept or agree with the allegations made.

We are open to further discussions with the relevant authorities and welcome constructive dialogue to ensure that all concerns are addressed appropriately.

Thank you for your attention to this matter. We look forward to ongoing engagement and cooperation.

Best regards,

