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**“Year of the fight against corruption and impunity”**

Nasca, May 30, 2019

[RUBBER STAMP]

MINISTRY OF ENERGY AND MINES  
Documentary Administration and Central Records Office

RECEIVED

30/05/2019

Registration No. 2938893

[ILLEGIBLE]

**MESSRS:**

**REPRESENTATIVES OF THE MINISTRY OF ENERGY AND MINES OF PERU**  
**Attention: General Directorate of Mining**

**Nasca.-**

**MATTER: I REQUEST YOU CONSIDER TO EXERCISE  
CONTROL OF THE PROCESS OF  
INVESTIGATION OF THE MINING PLANT  
“JULIA ESTHER” OF THE MINING HOLDER  
VISTA GOLD S.A.C. DUE TO SERIOUS  
ADMINISTRATIVE INFRACTIONS**

identified with N.I.D. No.

with actual address in Pampas de Chauchilla of the District of Vista Alegre, Province of  
Nasca, Department of Ica, respectfully state before you:

That I am pleased to address you to convey my greetings, and at the same time let you know that in my capacity as a neighbour of the land surface of the Julia Esther plant belonging to the Vista Gold S.A.C. company, I want to inform you that on March 28<sup>th</sup> of the current year, I lodged before **ICA’S REGIONAL DIRECTORATE OF ENERGY AND MINES (DREM)** an application to **“INVESTIGATE AND, WHERE APPLICABLE, TO CANCEL THE ADMINISTRATIVE PROCEDURE UNDERTAKEN BY THE MINING LEASE HOLDER THE COMPANY VISTA GOLD CO S.A.C. TO OBTAIN THE BENEFICIATION CONCESSION FOR THE “JULIA ESTHER” ORE PROCESSING PLANT AND TO CANCEL THE PERMITS OBTAINED THROUGH THIS PROCEDURE DUE TO THE SERIOUS INFRACTIONS IDENTIFIED WITHIN THIS PROCEDURE.”** which is why I request the **MINISTRY OF ENERGY AND MINES OF PERU** to be aware of a serious alteration of the administrative procedure undertaken by the Vista Gold S.A.C. company in the process of obtaining the beneficiation concession for the “Julia Esther” plant, the fact is that it has become public knowledge since the publication of an advertisement in the national media arguing that this is proof of the “social licence” to work in Peru, while the residents of the neighbouring locality of this plant are against

the development of this project, even for the reasons stated in the document presented before Ica's DREM, which should be the authority in charge of the requested investigation as it was the body granting the permits.

That in view of my concern regarding the committed infractions by the mining lease holder Vista Gold S.A.C. which did Not take into consideration the social aspect but alludes to the existence of a "social licence." I REQUEST your Office, as the entity above the authority in charge, monitor and take control over this investigation to ensure that in any case it is not fined and/or forgotten and that it should be mandated from Ica's DREM authority to undertake a proper investigation without any kind of omissions in order to finally CANCEL the procedure undertaken with the obtained permits as these have been the result of a serious infraction and a mockery of Peruvian legislation, which should not be granted to a mining lease holder. It is in the public interest that the permit be cancelled and for the mining lease holder of this project to undertake the procedure as required by law.

**ADDITIONAL PLEADING:** I am attaching:

1. A legalized copy of the document presented before Ica's DREM dated March 28<sup>th</sup> of the year 2018.

I would like to take this opportunity to reiterate to you my appreciation and warmest regards.

Yours sincerely,

[ILLEGIBLE SIGNATURE]

**N.I.D. No.**

# “Year of the fight against corruption and impunity”

Nasca, May 27, 2019

[RUBBER STAMP]  
REGIONAL GOVERNMENT OF ICA  
Regional Directorate of Energy and Mines  
RECEPTION  
28 MAY 2019

Reg. No. 040114

Time: 2:2 [ILLEGIBLE] [ILLEGIBLE SIGNATURE]

MR:

**REGIONAL DIRECTOR OF ENERGY AND MINES OF ICA**

Nasca.-

**MATTER: I REQUEST THE INVESTIGATION AND, WHERE APPLICABLE, THE CANCELLATION OF THE ADMINISTRATIVE PROCEDURE UNDERTAKEN BY MINING LEASE HOLDER, THE COMPANY VISTA GOLD S.A.C., TO OBTAIN THE BENEFICIATION CONCESSION FOR THE ORE PROCESSING PLANT JULIA ESTHER AND THE CANCELLATION OF THE PERMITS OBTAINED THROUGH THIS PROCEDURE DUE TO THE SERIOUS INFRACTIONS IDENTIFIED WITHIN THIS PROCEDURE**

identified with

N.I.D. No. \_\_\_\_\_ with actual address in Pampas de Chauchilla of the District of Vista Alegre, Province of Nasca, Department of Ica, respectfully state to you:

That I am pleased to address you to convey my greetings, and at the same time let you know that in my capacity as neighbour of the land surface of the Julia Esther plant belonging to the Vista Gold S.A.C. company, I want to inform that I am against the implementation of the project Vista Gold S.A.C. and against the financing of the of the “Julia Esther” plant. The reason for this disagreement is due to the fact that the surface terrain in the Chauchilla site has an agricultural use or belongs to the cultural archeological heritage of the Nation of Peru and for that reason it is protected by the State. All the neighbours of the Julia Esther plant we all are farmers and do not wish to have a mining neighbour that in this case would be an ore processing unit. One of this plant’s neighbours is a large company called Agrolatina, who keeps a strict quality control of its production as it exports agricultural products to various world countries. This is the reason why there currently serious clashes between the farmers and the Vista Gold S.A.C. plant, which was built without having the permits and Approvals required to that end and is

currently is involved in the procedure of obtaining permits in a very strange way. This refers to the fact that the Vista Gold S.A.C. company obtains its corresponding permits obviating the normal conduct governed by law, as I explain below:

1. The fact that the administrative procedure has been undertaken with serious alteration of the procedure governing the securing of permits, there existing the following supporting documents:
  - a) On March 26, 2016, an unannounced inspection by the representatives of the Regional Directorate of Energy and Mines took place. The inspection was due to some complaints by members of the locality of Chauchilla.
  - b) The object of the inspection by Ica's DREM was to verify whether the mining lease holder had all the corresponding permits for the legal mining activity at the plant as well as to clarify whether this plant formed part of the mining formalization process.
  - c) During the inspection the representatives of the company Vista Gold S.A.C. presented the following documents:
    - I. Application for the beneficiation concession for the "Julia Esther" plant dated May 06, 2015 by the mining lease holder Vista Gold S.A.C., the company that was established on August 1<sup>st</sup> of 2013 and whose legal representative has been Mr. Giorgio Ramón Albertini Baffigo since June 06, 2013.
    - II. Resolution issued by Ica's DREM con No. 032-2010-GORE-ICA/DRES/AAM dated 06/10/2010, which approved the Environmental Impact Assessment of the "Julia Esther" plant located in the Chauchilla site, district of Vista Alegre, province of Nasca, department of Ica.
    - III. Non-certified copy of OFFICIAL LETTER No. 571-2015-GORE-ICA/DREM dated 24/07/2015, where the Directorial Writ by Ica's DREM NO. 014-2015-GORE-ICA/DREM/CB dated 24/07/2015 is attached, which in turn authorized the Vista Gold S.A.C. company to build the "Julia Esther" plant.
  - d) The supervisors belonging to Ica's DREM reached the following conclusions when they finished the inspection:
    - I. It was established that resolution No. 032-2010-GORE-ICA/DRES/AAM which approved the Environmental Impact Assessment was issued on October 6, 2010.
    - II. As the DREM supervisors verified **that THE RESOLUTION No. 032-2010-GORE-ICA/DRES/AAM WHICH APPROVED THE EIA OF THE PROJECT AT THE "JULIA ESTHER" PLANT** located in the Chauchilla site, district of Vista Alegre, province of Nasca, department of Ica **cannot** be valid as a current instrument after 2015 as it **LOST ITS VALIDITY** pursuant to the second paragraph of article 57 of law No. 27446. The Environmental Law which stipulate that the approval of the Environmental Impact Assessment are valid for a period of 3 years as well as the right of the mining lease holder to renew this term once more for a further two years if the holder has been

unable to start the implementation work of its project during the first term of three years following the EIA approval.

- III. Besides that, it was pointed out that there were no documents granting building Approval for the project of the “Julia Esther” plant of the Vista Gold S.A.C. mining lease holder in DREM’s records. That is to say, the document presented by the representatives of the said company the day of the unannounced inspection, identified as a non-certified copy of OFFICIAL LETTER No. 571-2015-GORE-ICA/DREM dated 24/07/2015, which contained the Directorial Writ by Ica’s DREM NO. 014-2015-GORE-ICA/DREM/CB dated 24/07/2015, which seemingly granted the building Approval to the Vista Gold S.A.C. company for the “Julia Esther” plant, **WAS NOT ON FILE IN ICA’S DREM RECORDS, that is to say, the said Authority HAD NOT GRANTED THE BUILDING APPROVAL FOR THE “ESTHER JULIA” PLANT which meant that the building, equipment installation and implementation on the said plant site would have been done WITHOUT ANY PERMIT.**
  - IV. On top of all this, it was verified that the Vista Gold S.A.C. company is not included in the REINFO (the Comprehensive Registry of Mining Filing), that is to say, the mining lease holder does not appear in the mining formalization process as part of the small-scale and artisanal mining which would have allowed it to formalize in a simplified way its activity in an existing installation, be it a mine or a ore processing plant.
- e) In spite of the foregoing, on December 21, 2018 the Vista Gold S.A.C. company managed to obtain the approval of the second Modification of its 2010 EIA in an unprecedented manner. IN DECEMBER 2018 (THE DATE:DECEMBER 19<sup>TH</sup>) ICA’S DREM APPROVED A DOCUMENT BELONGING TO THE VISTA GOLD S.A.C. COMPANY FOR WHICH THE ORIGINAL BASE DOCUMENT HAS BEEN THE ENVIRONMENTAL IMPACT ASSESSMENT THAT WAS APPROVED IN OCTOBER 2010 AND WHICH LOST ITS VALIDITY IN OCTOBER 2015. Nevertheless, the Technical Report No. 041-2018-GORE-ICA/DREM/AT-AL/WGHM-DREG DATED 31/12/2018 based on which Vista Gold S.A.C. was later on granted building Approval, states in the “Background” section that the approved EIA pursuant to the same resolution No. 032-2010-GORE-ICA/DRES/AAM was approved on December 06<sup>th</sup> of the year 2014 and Not on the date October 06<sup>th</sup> of the year 2010, The resolution number is the same as the one where the date of issue of the document is indicated. And it can clearly be seen that the said Resolution was issued in the year 2010. These facts lead to the conclusion that false information was provided in the process of obtaining the approval documents. Besides this, exactly 10 days afterwards, that is to say on December 16, 2014, the

Vista Gold S.A.C. company obtained the approval of the Environmental Impact Assessment Amendment with a capacity increase up to 350 MTPD and changes in the ore processing circuit.

As well, during the March 2018 inspections, the Vista Gold S.A.C. representatives did not mention any document amending the Environmental Impact Assessment. Besides, the Chauchilla residents cannot recall whether the Vista Gold S.A.C. company ever organized ANY PUBLIC HEARINGS OR INFORMATION WORKSHOPS AS A CITIZEN PARTICIPATION TOOL regarding the project to be implemented.

Consequently, it can be inferred that it was unprecedented and impossible for the mining lease holder **TO MANAGE TO COMPLETE IN 10 DAYS AN ADMINISTRATIVE PROCEDURE** that should take a minimum of 90 days to be completed pursuant to the regulations and which comprises several steps such as the organization of two participating workshops involving the local residents of the affected area (one before the EIA presentation before the authority and another one during the final EIA stage of approval), a verification process regarding the technical aspects of the project and the technology: the correction of raised objections which is always undertaken by the technical department and later on by the legal department of Ica's DREM. However, the Vista Gold S.A.C. company has managed to obtain the approval documents without having regularized the right of use of the land surface with its owner by the time the EIA was approved, which was later on sold to Vista Gold S.A.C.. Besides, approximately a quarter of the tailings dam) (600m<sup>2</sup>) extends beyond the limits of the land requested in the Environmental Impact Assessment, which was discovered by Ica's DREM supervisors during the unannounced inspection of March 2018.

- f) Beyond this and after four years had elapsed following the magical approval of the First Modification of the Environmental Impact Assessment, the Vista Gold S.A.C. company presented the Second Modification of the Environmental Impact Assessment on September 19, 2018 for its approval although at the same time there is NO mention whatsoever that the Vista Gold S.A.C. company has renewed once the validity of its original Environmental Impact Assessment for another two years, pursuant to article 57 of Environmental Law No. 27446.
- g) On December 06, 2018 in spite of the fact that the Second Modification of the Environmental Impact Assessment had not been approved, Vista Gold S.A.C. notified Ica's DREM that they had presented their Beneficiation Concession Application via EXTRANET under number No. 388, which took place the same day, and the following day, December 07, 2018, they presented the project "Beneficiation Concession Application: Julia Esther Ore Processing Plant." In the date sequence of the procedures, it stands out that that the Beneficiation Concession application was presented 15 days BEFORE the approval of the latest modification of the Environmental Impact Assessment (resolution No. 037-2018-GORE-ICA/DREM which approved the Second Modification of the EIA dated 21/12/2018), without which it would have been IMPOSSIBLE to present the beneficiation concession application.

**That being the case, we observe a series of FURTHER FALSEHOODS during the administrative procedure. A SERIOUS FALSEHOOD IN THE BENEFICIATION CONCESSION APPLICATION consists in** that this application MUST not only contain the number of the resolution approving the Environmental Impact Assessment or its last Modification in every instance but must also attach the said. Therefore, the Vista Gold S.A.C. company could have included the number of the resolution which approved the First Modification of the EIA when submitting the Beneficiation Concession Application, as the Second Modification still HAD NOT BEEN APPROVED by Ica's DREM. However, the plant's Building Approval Resolution No. 044-2018-GORE-ICA/DREM/H granted within the framework of the Beneficiation Concession refers to resolution No. 037-2018-GORE-ICA/DREM which approved the Second Modification of the Environmental Impact Assessment. **Moreover, SERIOUS ALTERATIONS TO THE CORRECT PROCEDURE ARE AGAIN NOTICEABLE IN THE APPROVAL OF THE SECOND MODIFICATION OF THE ENVIRONMENTAL IMPACT** , THAT IS TO SAY, the approval timeframe for the Second Modification of the EIA had been extremely short – less than three months, lack of observations from the technical and legal departments of Ica's DREM, besides the total omission of the obligation to engage in citizen participation proceedings such as public hearings, information workshops and guided visits.

In spite of all what is stated above, on December 31, 2018, that is to say, exactly 10 days after the authority approved the Second Modification of the Environmental Impact Assessment by virtue of Resolution No. 037-2018-GORE-ICA/DREM, the authority itself grants the Vista Gold S.A.C. company the Building Approval for the plant by virtue of Resolution No. 044-2018-GORE-ICA/DREM/H pursuant the Beneficiation Concession Application No. 100812 dated 07/12/2018 to obtain the Beneficiation Concession title for the “Julia Esther” plant of the mining lease holder, which is the Vista Gold S.A.C. company with its legal representative, Mr. Giorgio Ramón Albertini Baffigo. Being that the case, the resolution granting the Building Approval contains serious incoherences. It was already known that the Vista Gold S.A.C. company had experienced difficulties in proving the right of use of the land surface at the time of the approval procedure of its Environmental Impact Assessment. Even more serious is the fact that the Building Approval Resolution for the plant indicates a beneficiation concession area that is larger than the one the company has managed to prove, as the Evaluation Report of the Beneficiation Concession Application procedure by virtue of which the Building Approval for the plant was granted indicates an area of 14 hectares while in the Resolution concerning the Building Approval indicates 30 hectares as the project area. This evidences a further inconsistency in all this procedure.

#### **IT IS NECESSARY TO ANALYSE WELL THE FOLLOWING**

On 07/12/2018 the legal representative of the Vista Gold S.A.C. company presents a Beneficiation Concession Application for the “Julia Esther” plant while the last modification of the Environmental Impact Assessment HAD NOT BEEN APPROVED and WOULD ONLY BE APPROVED 15 DAYS LATER. At the same time the regulations indicate that one of the main requirements for the Beneficiation Concession application is to have the Environmental Impact Assessment APPROVED for the same plant.

On 21/12/2018 Ica's DREM approved the Second Modification of the Environmental Impact Assessment of the "Julia Esther" plant while the Report of the unannounced inspection by the same Authority has concluded that the Resolution No. 032-2010-GORE-ICA/DRES/AAM which approved the EIA of the said plant issued during the year 2010 did not keep its validity as it was NOT in force and effect as too much time had elapsed from its approval date. However, it is this EIA that THE SAID Resolution approved that lies at the bottom of the two modifications that had been made to this Environmental Impact Assessment during the administrative procedure to obtain approval documents for the "Julia Esther" plant as the resolution was issued on October 06, 2010, which is why it has NOT been in force and effect since October 2015.

On 31/12/2018, barely 10 days after the approval of the second modification of the Environmental Impact Assessment, which should have been issued BEFORE submitting the Beneficiation Concession Application, apart from the fact that this modification could not have followed its usual course since it was a modification of an instrument which was no longer in force and effect and thus had no validity. Ica's DREM granted the Building Approval for the plant which had already been built, which was verified during the unannounced inspection in March 2018, without some permits required to that end.

In spite of all the falsehoods the Vista Gold S.A.C. company would have already obtained the Beneficiation Concession title pro the "Julia Esther" plant, which should be questioned, which is why we are submitting the **APPLICATION TO UNDERTAKE AN EXHAUSTIVE INVESTIGATION OF THE PROCEDURE TO OBTAIN APPROVAL DOCUMENTS BY THE MINING LEASE HOLDER VISTA GOLD S.A.C. FOR THE "JULIA ESTHER" PLANT**, which represents one of the projects financed in Peru by the Australian company Andina Resources LTD, which in turn is part of a parent structure involving the Australian company Titan Mineral LTD which represents a leading figure in the Australian Stock Exchange. We also request **THE CANCELLATION OF THE APPROVED PERMITS** if the falsehoods committed by the Vista Gold S.A.C. company and its representatives, who should be subject to Peruvian law, can be proved.

I would like to take this opportunity to reiterate to you my appreciation and warmest regards.

Yours sincerely,

[ILLEGIBLE SIGNATURE]

**N.I.D. No.**