



October 20, 2020

Mr. Gordon Pridham
Chairman of the Board
Orvana Minerals

Dear Mr. Pridham,

Re: Concerns about Ongoing Labour Dispute at Don Mario Complex in Bolivia

It is with great concern that we write to you regarding the ongoing labour dispute that has resulted from actions taken by Orvana's wholly-owned subsidiary, Empresa Minera Paititi SA, at the Don Mario complex in Bolivia.

We have recently learned from the Paititi Mineworkers and Metallurgy Union (STMMP) representing the workers at Don Mario that the entire workforce was unlawfully fired from their positions this year on February 29, 2020, following several years of trying periods of collective agreement negotiations, and an initial attempted layoff which began in October 2019, in the middle of an unfolding political crisis in Bolivia. The union, which represents 130 mine workers, informs us that on that day in February the company posted flyers throughout the mine camp and in the communal eating quarters, informing the entire workforce that they were being immediately dismissed. According to a Ministry of Labour inspection dated March 9, 2020, just shortly after the notices were posted, the inspector observed that the workforce was dismissed "*without respect for union immunity, parental rights, or demonstrating a justified cause for their dismissal as defined by the General Labour Law.*" The report also observed that workers were being forced to cook and provide for their own meals, and were being forced to do their own sanitation and cleaning, services that had all previously been provided by the company as per their collective agreement.

We are shocked and appalled by these very serious allegations. We have noted that in Orvana's Annual Information Form (AIF) for 2019, the company states "At EMIPA, in the first quarter of fiscal 2020, the Company made the decision to suspend mining operations at Las Tojas effective on or before December 31, 2019. Primary objectives in fiscal 2020 are to: (i) suspend mining and milling operations in an orderly manner; (ii) implement a maintenance and care program; (iii) **implement a workforce restructuring program**; and (iv) develop a new plant circuit to allow the processing of the oxides stockpile." (p.9, emphasis ours). This statement comes at a surprise since, in previous reporting in the year leading up to this report, the company was talking about developing new work areas, and the overall general operations were in a positive state.

Nowhere in the company's communications with its shareholders is there evidence that the board and shareholders were informed of the deteriorating state of labour relations between the union and the company. The company does not note that it was in collective agreement negotiations with the union for several months of the year and neither does it mention that just two days before it presented the first workers with their dismissal notices on October 16, it had signed an agreement with the union guaranteeing "labour stability" and committing to developing work areas to ensure long-term work opportunities for the membership. Instead, the company, in the middle of an unfolding political crisis, and to the complete surprise of its workforce, commenced a "restructuring program" and the above-mentioned campaign of intimidation and attacks on the union and the workforce, culminating in the total dismissal of the entire productive workforce of the mine in February 2020 (130 mineworkers in total). In light of the company's expressed goals to move into new work areas with a contracted labour force "during the interim period, contractors will be developing the Oxide Stockpile Project at site, while undertaking care and maintenance of existing facilities. (MD&A 2019, p.6)" we can only consider this restructuring program as a deliberate attack on organized labour.

The STMMMP has also informed us that since March, it has been challenging this total dismissal as in violation of established norms in both Bolivian labour law and the Mining Law, and demanding the workers' reinstatement. After the union received the notices, the workforce took the decision to peacefully occupy the mine site until they were reinstated. The company responded by presenting a Constitutional Protective Order, and, in the middle of a global pandemic in March 2020, the union was ordered to vacate the premises immediately. Since that time, the union has set up a vigil in Santa Cruz to protest the company's actions while it awaits an investigation and ongoing legal processes in the Ministry of Labour. Again, Orvana minerals has not reported that it has been involved in these ongoing investigations and processes.

Since the workforce was laid off in February, the impacts have been devastating. The unionized workforce has lost access to healthcare benefits, which has had catastrophic impacts given the current state of the global pandemic. Several members of the union leadership and their families have since become infected with COVID-19, and one worker, Basilio Quispe Contreras, has died of the virus. We condemn the actions of the company, which, in the midst of the ongoing health and political crisis, have only served to exacerbate the impacts of this terrible situation by putting the lives of many people at grave risk.

The union has demonstrated much patience with the company during these difficult times, and has not requested, as is permitted to them as members of the Central Workers Federation (COB), that the company's assets revert to the Bolivian state (to which historical precedent in the country would be in their favour). Instead, the union has stressed an openness to dialogue and has requested an audience with the company's Board of Directors and executives in Canada, but has not received any response. The union has appealed to Canadian unions and civil society organizations to help them transmit their message to the company. It is hoping the company will act in good faith, and that the Board will choose to meet and negotiate with the union to guarantee the workers' rights as guaranteed under Bolivian labour law, and preventing any major losses that the company might incur if the union were forced to escalate its tactics.

We are writing to appeal to you to immediately commence dialogue in good faith with the Paititi union, in order to repair the harms that have been committed against the workforce at the Don Mario operations, and to afford them the rights guaranteed to them by Bolivian law and by the collective agreement that your company ratified in October 2019.

Further, as Canadian organizations, we demand the immediate and just re-incorporation of the entire productive workforce at EMIPA.

The president of the union, Mr. Jorge Zeballos, has requested that the Board communicate with the union via the following email: jzeballos21@hotmail.com.

We expect you to move swiftly to address this crisis.

Sincerely,

UNIONS

- British Columbia General Employees Union (BCGEU)
- Canadian Union of Public Employees (CUPE)
- CWA - Canada, The Media Union
- National Union of Public and General Employees (NUPGE)
- Public Service Alliance of Canada (PSAC)
- United Steelworkers (USW)

CIVIL SOCIETY ORGANIZATIONS

- Canadian Lawyers for International Human Rights (CLAIHR)
- Christian Peacemaker Teams - Colombia
- Comité por los derechos humanos en América Latina (CDHAL)
- Common Frontiers, Canada
- Foundation for Development and Education
- MiningWatch Canada
- Toronto Association for Peace & Solidarity

POLITICAL PARTIES

- Communist Party of Canada

c.c.

Board of Directors, Orvana Minerals

Juan Gavidia, Chief Executive Officer, Orvana Minerals,

The Union of Mine and Metallurgical Workers "Paititi" Sindicato de Trabajadores Mineros,

Federation of Mine Workers of Bolivia (FSTMB),

Yerko Nuñez Negrette, Minister of the Presidency, Plurinational State of Bolivia,

Jorge Fernando Oropeza Teran, Minister of Mines and Metallurgy, Plurinational State of Bolivia

Alain Adib, Officer of Development Policies, Bolivia y Perú, Global Affairs Canada

Blair Bobyk, Deputy Director, Andean Region, Global Affairs Canada