

**ARBITRATION UNDER THE RULES OF THE
INTERNATIONAL CENTRE FOR SETTLEMENT OF
INVESTMENT DISPUTES**

ICSID CASE NO. ARB/20/46

LUPAKA GOLD CORP.

Claimant

VS.

REPUBLIC OF PERU

Respondent

**WITNESS STATEMENT OF
LUIS FELIPE BRAVO GARCÍA**

1 October 2021

TABLE OF CONTENTS

1	INTRODUCTION	4
2	MY PROFESSIONAL BACKGROUND.....	5
3	THE SITUATION WHEN I JOINED IMC	6
4	THE STATE’S REFUSAL TO REINSTATE LAW AND ORDER	8
4.1	The January 2019 meetings.....	8
4.2	The MININTER obstructed the execution of the Operational Plan in February 2019	11
4.3	The 26 February 2019 Agreement.....	15
4.4	First failed attempt to access the Site after the 26 February 2019 Agreement	17
4.5	The Parán Community did not lift the Blockade even if it allowed IMC to access the Site through Parán’s impracticable road.....	18
4.6	On 15 March 2019, the Parán Community sought to change the purpose of the agreed topographical survey.....	20
4.7	On 19 March 2019, the Parán Community made further unreasonable and contradictory demands	21
4.8	The central Government failed to react when the Parán Community again invaded the Site on 20 March 2019.....	22
4.9	In April 2019 we obtained further confirmation that high- ranking officials in the central Government refused to implement the Operational Plan.....	24
4.10	Upon attempting to gain access to the Site on 14 May 2019, Parán Community members violently attacked IMC personnel and their private security escorts	25

4.11	Renewed discussions with central Government officials in May 2019 again led nowhere	27
4.12	High-ranking government officials again ignored our final pleas for help in June and July 2019	29

1 INTRODUCTION

- 1 I, Luis Felipe Bravo García, provide the following statement for the arbitration between Lupaka Gold Corp. (“**Lupaka**”) against the Republic of Peru (“**Peru**”). I was born in Lima in 1966 and I am a Peruvian citizen. My address is Sevilla 181, Surco, Lima, Peru.
- 2 I acted as General Manager for Invicta Mining Corp. (“**IMC**”), a Peruvian subsidiary of Lupaka, between late January 2019 and 31 August 2019. As General Manager, I was IMC’s legal representative and participated in discussions with the Peruvian authorities regarding Lupaka’s mining project at the Victoria Uno concession (the “**Project**”). At the time I became General Manager of IMC (and Country Manager for Lupaka), officials and representatives from the Rural Community of Parán (“**Parán Community**”) were blocking the final part of the road leading to the Site of the Project where the camp, infrastructure and other mining components were located (“**Site**”) and their blockade (“**Blockade**”) had been in place since October 2018. Lupaka could not develop the Project as a result of the Blockade and therefore the exclusive focus of my work was its removal.
- 3 As I explain below, we held discussions with all relevant State authorities for the Police to be authorised to lift the Blockade. Yet, the high-ranking officials in the central Government would not authorise Police intervention and simply insisted that we hold dialogues with the Parán Community, despite the latter acting illegally, being armed and dangerous and clearly not having any desire to enter into an agreement with IMC. I thus did not access the site and did not perform any operational functions during my tenure, contrary to my expectations. I was entirely devoted to resolving this issue with the Parán Community to allow Lupaka to resume operations and proceed to exploiting the Project mine.
- 4 As the General Manager, I coordinated and attended many meetings with the central government authorities to resolve the situation. IMC had a team dedicated to the relationship with the local communities (“**CR Team**”), in particular, Mr Jorge “Coco” Arévalo and Mr Marco A. Estrada, who briefed me regularly on the events on the ground and their communications with local authorities. I also met with Parán’s representatives, as I will

describe below,¹ and also with representatives of the Rural Community of Santo Domingo de Apache (“**Santo Domingo Community**”) and the Rural Community of Lacsanga (“**Lacsanga Community**”).

- 5 I would report to both the Board of Directors and the then-CEO of Lupaka (William A. Ansley). Mr Ansley also accompanied me to some of the meetings in Peru with high-ranking government officials, as I will note below.²
- 6 In this witness statement, I describe:
- i) My training and professional background (**Section 2**);
 - ii) The situation when I joined IMC as regards the Parán Community and the Blockade (**Section 3**); and
 - iii) The events after I joined, namely the Parán Community’s refusal to lift the Blockade and the State’s unwillingness to use force despite the Parán Community’s illegal actions (**Section 4**).

2 MY PROFESSIONAL BACKGROUND

- 7 I obtained a bachelor’s degree in law and political science in 1989 from the University of Lima. I also pursued postgraduate studies in Business Law at the University of Salamanca in Spain in 1999 and in Corporate Governance at Yale University in the United States in 2015.
- 8 I worked as in-house counsel for various companies in Peru (1989-2003) and then for almost four years as a lawyer practising in business and administrative law at the law firm Estudio Flores-Araoz in Lima (2003-2006). I then joined Century Mining Perú S.A.C. where I was legal manager from September 2006 to January 2008 (whereupon I took a sabbatical), then corporate manager from December 2008 to August 2010 and then the general manager from August 2010 to March 2017, during which time I oversaw all operations including managing community relations and permitting issues with government authorities.

¹ See below paras. 24-29, 41-43 and 62-67.

² See below paras. 17, 21-22 and 62-67.

- 9 Since September 2019 I have been involved in providing consulting services relating to the mining industry, including on legal matters.

3 THE SITUATION WHEN I JOINED IMC

- 10 When I started working with IMC, I learnt that the Parán Community's representatives had briefly invaded the Site in June 2018. I also learned that despite commitments to cease hostilities in September 2018,³ on 14 October 2018, they had set up the Blockade.⁴
- 11 The authorities should have forced the Parán Community's invaders to lift the Blockade immediately. The Blockade was on the last stretch of the road, which went through Lacsanga, leading to the Site. We had a valid surface rights agreement with the Lacsanga Community to develop the Project (concluded in 2017) and had rebuilt the Lacsanga road at considerable cost to IMC. The Lacsanga Community was entirely opposed to the Blockade, and its authorities had filed criminal complaints to evict the Parán Community.⁵ However, nothing had come of it to my knowledge.
- 12 I understood that neither the camp nor the mine itself nor even the access road was on Parán's land, and there was no plan to extend operations onto Parán's land. Although IMC had contemplated sourcing water from within the Parán Community's claimed land years earlier, this was not a requirement (IMC could have sourced the water from elsewhere). Also, while IMC was keen to conclude an agreement with the Parán Community that would eventually allow it to upgrade Parán's access road to secure an additional route to transport mined ore, this was by no means essential for IMC to operate the Project. As a matter of Peruvian law, we therefore did not need an agreement with the Parán Community, even if Parán was within the mine's area of direct environmental influence. The only agreements for the use of the superficial lands we needed were with the

³ Minutes of the Sub-Prefecture meeting between IMC and the Parán Community including September 2018 Commitment (SPA), 18/09/2018, at **Exhibit C-139**.

⁴ Minutes of the meeting between the Parán Community, IMC and Chief of Sayán Police (SPA), 14/10/2018, at **Exhibit C-166**.

⁵ Criminal complaint filed with the Sayán Police by Lacsanga's representatives (SPA), 26/10/2018, at **Exhibit C-176**.

Lacsanga Community and the Santo Domingo Community, and these had been secured.

- 13 When I became involved with the Project, I reviewed the prior correspondence to understand how best we could proceed. I learnt that when Parán officials blocked the road to the Site in October 2018, they alleged that loose rocks from explosions at the mine were damaging community houses and that the mine would pollute local water sources.⁶ None of this could have been correct. IMC had conducted only limited blasting underground within the main tunnel stretching in a direction opposite to Parán within Lacsanga's territory approximately 1 km from the adit entrance. As to the allegation of contamination of water, this was also implausible. We had only used minimal quantities of water for the minor extractive activities we had carried out and had in any event installed a water recirculation system. This system served to neutralise any seepage of natural acid effluents flowing through the mountain ridge, as I had the opportunity to explain to Parán's representatives later.⁷
- 14 Prior to joining IMC, there had had several meetings with Parán officials and government officials in October and November 2018. However, it was clear from those meetings that Parán officials had no real intention of engaging in any reasonable dialogue that could produce an agreement to remove the Blockade. I understand that they used violent rhetoric and made unreasonable demands, such as requiring the withdrawal of IMC's criminal complaints before dialogue could take place.⁸ The central authorities did not remove Parán's community members from the Site, despite IMC's repeated requests to that effect.⁹

⁶ Notarised letter from the Parán Community to IMC (SPA), 04/05/2018, at **Exhibit C-121**, p. 2; See also Minutes of the Sub-Prefecture meeting between IMC and the Parán Community including September 2018 Commitment (SPA), 18/09/2018, at **Exhibit C-139**, p. 2.

⁷ See below paras. 26-27.

⁸ See *e.g.*, Report on meeting between IMC, the Parán Community, the MEM and the Mayor of the District of Leoncio Prado (SPA), 24/10/2018, at **Exhibit C-173**, p. 1.

⁹ See *e.g.*, Letter from IMC to MININTER (SPA), 07/12/2018, at **Exhibit C-184**; Letter from IMC to Police Headquarters (SPA), 07/12/2018, at **Exhibit C-185**; Letter from IMC to Sayán Police (SPA), 07/12/2018, at **Exhibit C-186** (although this letter is not signed, I understand it was sent).

- 15 My colleagues were coordinating with the Police in January 2019 to prepare a plan to evict Parán members from the Blockade and secure the Site (“**Operational Plan**”). In parallel, IMC continued to negotiate with Parán Community officials, as I explain below.

4 THE STATE’S REFUSAL TO REINSTATE LAW AND ORDER

4.1 The January 2019 meetings

- 16 From the moment I joined the company, I sought to continue the strategy implemented thus far. On the one hand, this consisted of pushing for the law enforcement authorities to remove the Parán invaders from the Site and, on the other hand, continue to engage with Parán officials. There were many meetings with central, regional, and local authorities in Lima and the Huacho district. I highlight the following:
- 17 First, we had several important meetings with the authorities in charge of law enforcement. On 22 January 2019, I met with the Deputy Minister of Internal Affairs, Mr Esteban Saavedra Mendoza, together with Lupaka CEO Mr Ansley and Mr Arévalo of IMC’s CR Team. The Ministry of Internal Affairs (“**MININTER**” which is the Spanish acronym for “*Ministerio del Interior*”) oversees law enforcement. We knew that there was a written Operational Plan for close to 200 police officers to lift the Blockade, but that it required the approval of additional authorities. We therefore sought to gain the Deputy Minister’s support. The meeting was some two hours long. We explained the history of the interactions with the Parán Community, including the invasion in June and October 2018 and the ongoing illegal Blockade. I also informed Mr Saavedra that Parán officials had been violent and that there was some 500 kg of explosives at the Site. Given the history of violent conduct of Parán officials, their access to explosives was highly concerning. We insisted that the Operational Plan be carried out immediately to remove the Blockade. I also set out the same requests in a subsequent email and letter to him dated 30 January 2019 and 19 February 2019, respectively.¹⁰ At the meeting, Mr

¹⁰ Email from Lupaka to MININTER (SPA), 30/01/2019, at **Exhibit C-187**; Letter from IMC to MININTER (SPA), 19/02/2019, at **Exhibit C-16 (corrected translation)**.

Saavedra took note of our requests. He stated he would study the case and would get back to us without any other commitment.

- 18 On 24 January 2019, Mr Ansley and an external consultant, Mr Arévalo, met with General Mario Arata, the Lima Chief of Police in relation to the Operational Plan. I was told the meeting went well and that they discussed details for the carrying out of the Operational Plan; I was also told that plan would be carried out imminently.
- 19 Mr Arévalo also coordinated with other high-ranking police officials to make sure that they gave the required priority to the approval of the Operational Plan. In this respect, Mr Arévalo informed me that he had also coordinated with Coronel Arbulú, Chief of Police in Huacho, at the end of January 2019 to carry out the Operational Plan. Coronel Arbulú was the officer who would have headed the operation at a local level. He was awaiting the final approval from Lima as he needed additional support to carry out the operation (which, as I noted, was estimated to require the involvement of some 200 officers).
- 20 Second, we met with the highest official within the MEM to whom we had access: Mr Incháustegui, Deputy Minister for the MEM. We did this to ensure that he was aligned with our discussions with the MININTER and the Police and that the need for the Operational Plan to proceed was well understood.
- 21 Indeed, on 23 January 2019, Mr Ansley, Mr Arévalo and I attended a meeting with Deputy Minister Miguel Incháustegui and two Canadian Embassy officials. It had taken time and effort to secure a meeting with the MEM Deputy Minister to discuss our situation.
- 22 While Deputy Minister Incháustegui knew of the Blockade in general terms, he was unaware of the specifics, including that it was impossible to negotiate with the Parán Community. He appeared receptive to our complaints and promised to liaise with other central authorities. We explained to Deputy Minister Incháustegui that our mining licence was worthless with the Blockade in place and that it was having dire economic consequences for the company. We stressed that a genuine dialogue could only occur if the Parán Community lifted the Blockade. Otherwise, we were being held to ransom, as I also stated in my subsequent email to him

referring to this meeting.¹¹ Deputy Minister Incháustegui understood our position but limited his commitment to ensuring that the parties continued discussions.

- 23 On 25 January 2019, I attended a further meeting with Mr Fernando Trigoso and Mr Nilton León of the MEM's social relations department. The latter had set up a meeting with Parán officials for 29 January 2019 and wished us to participate. Despite the Blockade being in place, we agreed, and our meeting of 25 January 2019 served as preparation. However, I made clear at the meeting that the Blockade had to be lifted if we were to engage in any meaningful dialogue on concrete matters with the Parán Community (known as "*mesa de diálogo*" in Peru). In addition, I also made clear that our participation in the meeting should not imply that we did not wish the Operational Plan to go ahead. On the contrary, we made it clear that our priority was the enforcement of the Operational Plan which we understood was imminent.
- 24 Three MEM representatives, several Parán officials and, for IMC, Mr Miguel Velásquez, Mr Arévalo and I, attended the meeting on 29 January 2019 in Lima. This was my first meeting with Parán officials. In the three hours that the meeting lasted, everyone had an opportunity to take the floor.
- 25 We made it clear that IMC was willing to discuss the Parán Community's grievances through a formal "*mesa de diálogo*". However, we stated that if we were to have a constructive dialogue, we needed the Parán officials to lift the Blockade. Parán's representatives refused and insisted that we acknowledge the "damage" that the mining operation had caused the community and the risks of water contamination and scarcity. I explained in detail that there could not have been nor had there been any damage and that there was no risk of water pollution.
- 26 First, IMC had used only minimal quantities of water thus far and had not caused any damage. Also, the limited blasting that had taken place at the Site could not have affected the Parán Community because the mine is underground (as opposed to being open pit), and the main tunnel stretches

¹¹ Email from IMC to MEM (SPA), 30/01/2019, at **Exhibit C-188**.

in a direction opposite to Parán, *i.e.*, towards Lacsanga for roughly 1 km from the adit entrance to the point of explosion.

- 27 Second, IMC would not process the ore at the Site even on the commencement of the exploitation phase (at least not initially – and even then we would be required by regulation to have measures to minimise any pollution). Also, there was no plan to use anything but minimal quantities of water to extract rock. This would not have created any pollution risk. The installation of a water recirculation and treatment system (with lime to neutralise the pH) in 2018 mitigated the risk of seepage of natural acid effluents flowing through the mountain ridge. Multiple effluent control points would effectively eliminate this risk.¹²
- 28 In any event, the Parán officials refused to lift the Blockade. They demanded that IMC make payments to the community before any negotiations could take place. They also threatened to exploit the mine themselves. Mindful that the Blockade was illegal and unjustified, the MEM representatives insisted that the Parán Community lift the Blockade.¹³ The Parán officials refused to engage further.
- 29 I reported to Deputy Ministers Incháustegui and Saavedra – neither of them having attended this meeting – that the Parán officials had refused to lift the Blockade.¹⁴

4.2 The MININTER obstructed the execution of the Operational Plan in February 2019

- 30 Throughout much of February 2019, I also liaised with numerous law enforcement authorities, as did the CR Team, to ensure that the Operational Plan went ahead. The Police provided a copy of the report setting out the

¹² See *e.g.*, IMC, Mine water treatment system diagram, June 2018 (SPA), at **Exhibit C-189**; IMC, Mine water treatment system - Phase I diagram, June 2018 (SPA), at **Exhibit C-190**.

¹³ This was later confirmed in writing: Letter from MEM to the Parán Community (SPA), 18/02/2019, at **Exhibit C-191**.

¹⁴ Email from IMC to MEM (SPA), 30/01/2019, at **Exhibit C-188**; WhatsApp exchanges between Lupaka (Mr Bravo) and MININTER (Mr Saavedra), 5/02/2019-20/02/2019 (SPA), at **Exhibit C-192**, p. 1.

Operational Plan to the CR Team on 7 February 2019.¹⁵ The report was thorough and the strategy the Police had set out appeared robust. It stated that the Police were to remove Parán's members through the intervention of hundreds of officers to secure the Site and ensure that IMC recommenced activities. It seemed that the Police were ready to implement the Operational Plan.¹⁶

- 31 Indeed, as we reported in a letter (signed by Mr Ansley, but which I helped prepare) to the Minister of the MEM, Mr Francisco Ismodes, on 6 February 2019, the situation demanded police action. This was not just because of the Blockade on the Lacsanga road. The Parán Community had gunmen at the Blockade who were not afraid to use their weapons, including against the Lacsanga members, one of whom had been shot in the hands and arm at close range and narrowly missed being shot in the head. Further, Parán officials did not allow the local prosecutor and the Police to go to the Site to verify the status of the camp and the explosive magazine. Parán members could well have stolen explosives, which is a criminal offence in Peru. Also, we understood that Parán members were illegally occupying the camp and related facilities. The Parán Community had indicated that it wished to steal the mine and exploit it (as they had told us expressly during the January 2019 meeting). Indeed, I understand that that is exactly what they are doing today. We further pointed out IMC's inability to monitor effluents at the Site on account of the Blockade and the environmental danger that existed. We made it clear that we did not wish to participate in any dialogue under such conditions and noted that "if we do not come to resolution very quickly everything will be lost for our shareholders and stakeholders".¹⁷
- 32 On 11 February 2019, Mr Estrada informed me that the Chief of Sayán Police, Major Soria, had approved the Police's Operational Plan, and had

¹⁵ Police Operational Plan to lift the Blockade (SPA), 09/02/2019, at **Exhibit C-193**; see Expense Report CR Team - February 2019 (SPA), at **Exhibit C-194**.

¹⁶ Police Operational Plan to lift the Blockade (SPA), 09/02/2019, at **Exhibit C-193**, p. 8 *et seq.* (paras. 13-14), p. 11 (paras. 3-8).

¹⁷ Letter from Lupaka to MEM, 06/02/2019, at **Exhibit C-15**.

sent it to his superior, Coronel Arbulú in Huacho, for approval.¹⁸ On 12 February 2019, I travelled to Huacho to visit Coronel Arbulú. He told me that the green light from Lima was all that they required. Coronel Arbulú, however, also stated that Ms Evelyn Tello from the conflicts prevention office at the MININTER had instead instructed him to hold off. She informed Coronel Arbulú that that dialogue mediated by the MEM should be prioritised instead.

- 33 The next day, I informed Mr Saavedra of this meeting through WhatsApp messaging. I asked him to approve the Operational Plan, expressing my concerns that the Police's intervention be delayed any further.¹⁹ Two days later, Mr Saavedra responded that the MEM had received a letter from the Parán Community expressing a desire to continue discussions. He also stated that the central Government had concerns about the national and international news reports that would follow and the political repercussions if the Police used force.²⁰
- 34 I responded that same 15 February 2019 that it was evident that the Parán Community had got wind of the Operational Plan, which I understood the Police had set to take place on 19 February 2019. I stated that it was for this reason that the Parán Community had requested from the MEM that it mediate further dialogue. I therefore requested that he approve that the Operational Plan takes place on 19 February 2019.²¹
- 35 I received no response from Mr Saavedra despite further attempts over the following days. Given the lack of response, I formally wrote to Mr Saavedra on 19 February 2019.²² I described again the events that had led to this situation and asked that the MININTER take the necessary action

¹⁸ See Approval by Mayor Soria of the Police Operational Plan to lift the Blockade (SPA), 09/02/2019, at **Exhibit C-195**.

¹⁹ WhatsApp exchanges between Lupaka (Mr Bravo) and MININTER (Mr Saavedra), 5/02/2019-20/02/2019 (SPA), at **Exhibit C-192**, p. 2.

²⁰ WhatsApp exchanges between Lupaka (Mr Bravo) and MININTER (Mr Saavedra), 5/02/2019-20/02/2019 (SPA), at **Exhibit C-192**, p. 3.

²¹ WhatsApp exchanges between Lupaka (Mr Bravo) and MININTER (Mr Saavedra), 5/02/2019-20/02/2019 (SPA), at **Exhibit C-192**, p. 3 *et seq.*

²² Letter from IMC to MININTER (SPA), 19/02/2019, at **Exhibit C-16 (corrected translation)**.

for the “unblocking of the access road to our mining camp, authorising the use of public force, if necessary, and providing the necessary security to our personnel, suppliers and contractors for the normal development of our mining activities”.²³

36 In the same letter, I also expressed my concerns that the conflict between the Santo Domingo and Lacsanga Communities on the one hand, and the Parán Community on the other, was about to explode into a violent confrontation on a large scale. Indeed, the Lacsanga and Santo Domingo Communities had consistently opposed the Blockade, which was on Lacsanga’s land and prevented the performance of the agreements they had with IMC.²⁴

37 We received no answer from Mr Saavedra or anybody at the MININTER despite our multiple communications. Given this lack of responsiveness and our fears that the MININTER had rejected the Operational Plan, on 22 February 2019, Mr Ansley reached out to our contacts at the Canadian Embassy in Peru. He requested help in getting the MININTER to respond. He stated:

“We need your help please – although we have been making significant strides with the government, within the last 8 days the Ministry of Interior has gone completely radio silent on our team. They are not answering telephone calls, emails or whatsapp messages. Something seems to have changed and we would kindly request some support in getting through to the [Deputy] Minister”.²⁵

38 Later that day, the official at the Canadian embassy reported that further to enquiries made at the MEM, he had been informed that “the Ministry of

²³ Letter from IMC to MININTER (SPA), 19/02/2019, at **Exhibit C-16**, p. 5.

²⁴ See *e.g.*, Letter from Mayor of Paccho District to the Parán Community (SPA), 15/02/2019, at **Exhibit C-196**.

²⁵ See Email chain between Canadian Embassy officials and Lupaka - 27/02/2019 to 20/02/2019, at **Exhibit C-197**, p. 4.

Interior has halted the plans to enter the community, since Paran has demonstrated their willingness for dialogue”.²⁶

4.3 The 26 February 2019 Agreement

- 39 I attended a meeting with the MEM’s Mr Trigoso on 22 February 2019. This followed an exchange between the MEM and Parán’s President a few days earlier whereby the President stated that Parán officials were willing to hold a dialogue on 26 February 2019.²⁷ The 22 February 2019 meeting served to prepare for this, despite the Blockade still being in place.
- 40 At the meeting, Mr Trigoso advised that the central Government should meet with Parán officials alone, without IMC’s involvement. Mr Trigoso stated that the MEM would tell Parán officials that the only way to reinstate the formal dialogue process (“*mesa de diálogo*”) would be to lift the Blockade.²⁸ I accepted that, to move forward, we would announce the withdrawal of the criminal complaints. I sent the MEM representatives a drafts of the withdrawal we offered to file and the agreement to reinstate dialogue going forward (which the MEM had drafted in the previous meeting with Parán officials on 29 January 2019).²⁹ We were not happy about offering a withdrawal of the criminal complaints, but we needed to move forward.
- 41 MEM representatives Mr León, Mr Víctor Vargas Peña and Mr Trigoso, attended the meeting on 26 February 2019. On behalf of the Parán Community, there was Mr Azarías Gilberto Torres Palomares (President) and members of Parán’s Governing Committee. The MEM representatives obtained confirmation that the Parán Community would sign an agreement to start the formal dialogue process and Miguel Velásquez, Mr Arévalo and

²⁶ See Email chain between Canadian Embassy officials and Lupaka - 27/02/2019 to 20/02/2019, at **Exhibit C-197**, p. 3.

²⁷ Letter from MEM to the Parán Community (SPA), 18/02/2019, at **Exhibit C-191**; Letter from the Parán Community to MEM (SPA), 20/02/2019, at **Exhibit C-198**.

²⁸ Email chain between Canadian Embassy officials and Lupaka - 27/02/2019 to 20/02/2019, at **Exhibit C-197**, p. 2.

²⁹ Email from IMC to MEM with attachment (SPA), 25/02/2019, at **Exhibit C-199**.

I were called in (our offices were only a block away from the meeting place).

- 42 During the discussions that followed, Parán officials did not mention the criminal complaints. However, they insisted on IMC acknowledging environmental damage on their territory as a precondition to dialogue. We again made clear that the Project did not extend to or otherwise affect Parán’s land, and, in any case, there had been no environmental impact thus far (nor was any such impact envisaged).
- 43 At the meeting, we reached a compromise. Most importantly, the Parán officials agreed to lift the Blockade and guarantee “social peace”. Additionally, the agreement (the “**26 February 2019 Agreement**”) contained the following commitments:
- i) The Parties would proceed with the formal dialogue process (*mesa de diálogo*) with the mediation of the MEM; and
 - ii) Through a joint topographic survey to take place on 20 March 2019, the Parties would identify the surface area within Parán affected by the Project.³⁰
- 44 Almost four months into the Blockade, with IMC’s operations halted entirely, we considered that the conclusion of this agreement to be a significant achievement. The central government representatives signed the agreement. While they had not committed to any specific obligation in writing, the central Government would surely assist IMC in ensuring compliance with the 26 February 2019 Agreement should it be necessary. Indeed, the MEM representatives assured us that they would accompany IMC to the Site and verify the condition of the camp. In addition, the Police would also provide support to prevent any violent reactions from Parán members.
- 45 The 26 February 2019 Agreement stated that the Parán Community would lift the Blockade immediately. Such a decision would then be ratified on 2 March 2019 by the Community Assembly. Additionally, the same agreement stated that the Parán Community would immediately allow an

³⁰ Minutes of the meeting between the Parán Community, IMC and MEM including 26 February 2019 Agreement (SPA), 26/02/2019, at **Exhibit C-200**, p. 1.

alternative access through Parán's village road and guarantee the peaceful development of IMC's mining activities.

- 46 Regrettably, our optimism was short-lived: the Parán Community reneged on the 26 February 2019 Agreement the very next day.

4.4 First failed attempt to access the Site after the 26 February 2019 Agreement

- 47 Based on the 26 February 2019 Agreement (which stated that the Parán Community would immediately cease "all coercive measures"), IMC staff drove to the Project Site, through the Lacsanga road, on 27 February 2019. While we had attempted to coordinate with local police, they had responded that the central authorities in Lima had not contacted them and would therefore not proceed. If we did not wish to waste further time, we had no choice but to proceed independently.
- 48 When IMC staff attempted to travel to the Site, Parán members were blocking the entry to the Site on the Lacsanga road. The Parán members who were blocking the entry stated that they had not been informed of the 26 February 2019 Agreement. I reported our continued inability to access the Site to the MININTER and MEM in letters dated 28 February 2019 and requested Police support.³¹
- 49 The MEM's Mr León was able to attend the Parán Community Assembly meeting on 2 March 2019. Mr León's colleague, Mr Ulloa, informed me that same day that the Parán Community Assembly had approved the 26 February 2019 Agreement.

³¹ Letter from Lupaka to MININTER (SPA), 28/02/2019, at **Exhibit C-17**; Letter from IMC to MEM (SPA), 28/02/2019, at **Exhibit C-201**.

4.5 The Parán Community did not lift the Blockade even if it allowed IMC to access the Site through Parán’s impracticable road

- 50 On 3 March 2019, Mr Estrada informed me that he had coordinated with Parán’s President, who had stated that he would allow IMC staff to access the Project Site on Monday, 4 March 2019.
- 51 We tried to coordinate our re-entry with central State officials to verify with them the status of our facilities and oversee compliance with the 26 February 2019 Agreement.
- 52 However, the relevant Ministries (*i.e.*, the MEM and the MININTER) and the Police in Lima failed to support IMC, contrary to our agreement.³² This was despite multiple attempts to contact these various authorities. The authorities’ unavailability at critical times such as this confirmed my views, conveyed to the Canadian Embassy officials earlier³³ that the central Government was evading its responsibilities.
- 53 Parán officials allowed IMC staff to access the Site on 4 March 2019, although only through the Parán road. This was because the Parán Community continued Blockade on the Lacsanga road with some 10 to 20 members. IMC’s vehicles could not use the Parán road. Indeed, during the rainy season in the Peruvian highlands (Sierras), rural roads, like the Parán road, suffer severe damage because of rain and landslides. All vehicles thus had to park two and half hours away and IMC’s staff had to continue on foot. This was obviously unworkable and contrary to the 26 February 2019 Agreement.
- 54 While my IMC colleagues were approaching the Site on 4 March 2019, I kept trying to contact Mr Ulloa (MEM), Ms Tello (MININTER) and the Police in Lima without success. The IMC team reported “live” to me on the situation at the Site: they confirmed that our facilities had been damaged and in part destroyed, valuable equipment and tools were

³² See Letter from IMC to MININTER (SPA), 05/03/2019, at **Exhibit C-202**, p. 2.

³³ Email chain between Canadian Embassy officials and Lupaka - 27/02/2019 to 20/02/2019, at **Exhibit C-197**, p. 2.

missing, including pieces of heavy equipment owned either by IMC or by our contractors.

- 55 We were highly concerned by the status of the explosive magazine. Throughout the Blockade, IMC had found it impossible to comply with the legal requirements concerning the storage of explosives. IMC had alerted the authorities about this risk repeatedly.³⁴ When my colleagues re-entered the Site, they saw that the doors to the explosive magazine had been forced open and several items were missing.³⁵
- 56 I wrote to the MININTER, protesting about the absence of government support and, again, requesting immediate police intervention to lift the Blockade.³⁶
- 57 In the two weeks following our 4 March 2019 Site visit, I recall visiting government offices, including the MEM and MININTER (having meetings with Ms Tello from the MININTER and Messrs Ulloa and León from the MEM). I reiterated my concerns that the Parán Community was only allowing us access through the impracticable Parán road and that the Blockade remained in place. While they assured me at these meetings that they would talk to Parán officials and ensure that the Huacho Police enforce compliance with the 26 February 2019 Agreement,³⁷ nothing concrete followed.

³⁴ See *e.g.*, WhatsApp exchanges between Lupaka (Mr Bravo) and MININTER (Mr Saavedra), 5/02/2019-20/02/2019 (SPA), at **Exhibit C-192**, p. 1; Letter from IMC to MININTER (SPA), 07/12/2018, at **Exhibit C-184**, p. 1; Letter from IMC to Sayán Police (SPA), 07/12/2018, at **Exhibit C-186**.

³⁵ IMC, Inventory on missing items from the explosive magazine (SPA), 08/03/2019, at **Exhibit C-203**.

³⁶ Letter from IMC to MININTER (SPA), 05/03/2019, at **Exhibit C-202**.

³⁷ See *e.g.*, Internal Lupaka email chain, 6/3/2021 to 7/3/2021, at **Exhibit C-204**.

4.6 On 15 March 2019, the Parán Community sought to change the purpose of the agreed topographical survey

- 58 As I noted above, the 26 February 2019 Agreement provided that the parties would carry out a topographic survey of the area within Parán which the Project had supposedly impacted.³⁸
- 59 On 15 March 2019, Mr Estrada met with Parán’s President, Mr Torres Palomares, to discuss the survey which, per the 26 February 2019 Agreement, we had scheduled for 20 March 2019. Mr Torres Palomares told him that Parán’s Governing Committee had already hired a topographer and instructed him to conduct a road construction study to upgrade Parán’s road. In addition, all related costs had to be borne by IMC.
- 60 After Mr Estrada relayed this conversation to me, I immediately called Mr Torres Palomares to recall that the survey was meant to address the Parán Community’s concerns regarding the alleged damage to their territory. The parties had not provided for (or discussed) a road construction study in the 26 February 2019 Agreement. Mr Torres Palomares rejected these explanations and demanded that PEN 30,000 be paid to the Parán Community’s surveyor the following day (*i.e.* 16 March 2019). IMC’s failure to do so would result in Parán representatives not allowing even the limited access through Parán’s road and would expel our team from the Site again. We advised Mr Torres Palomares that we would have to take this issue to our management team and that we would contact him as soon as possible.
- 61 We subsequently recorded our disagreement to Mr Torres’ demands in a letter addressed to Parán officials dated 18 March 2019, while noting that IMC was willing to meet to continue our discussions.³⁹ We felt that the Parán Community was yet again seeking to extort money from IMC, now in the form of an easement agreement similar to the one with Lacsanga. The Parán Community continued to block the Lacsanga road and was aware that it was impracticable for IMC to use the Parán road in its current

³⁸ Minutes of the meeting between the Parán Community, IMC and MEM including 26 February 2019 Agreement (SPA), 26/02/2019, at **Exhibit C-200**, p. 1 (Item 4).

³⁹ Letter from IMC to the Parán Community (SPA), 18/03/2019, at **Exhibit C-205**.

state. On the Parán Community's terms, we had to either upgrade the Parán access route to make it viable or quit developing the Project altogether. I reported to the MININTER on 20 March 2019, again asking for the Police to restore order⁴⁰ and wrote to the MEM requesting them to do everything in their power to allow us to proceed with the Project.⁴¹ Neither authority answered my letters.

4.7 On 19 March 2019, the Parán Community made further unreasonable and contradictory demands

- 62 On 19 March 2019, Mr Ansley and I met with Mr Torres Palomares and other Parán officials in Huacho. Central government authorities did not attend the meeting. Our goal was to get the Parán Community to comply with the 26 February 2019 Agreement and to have a dialogue where we could try to understand their underlying motivations. We had hoped they would be more candid given that the authorities were not present.
- 63 We started by addressing the Lacsanga road. We explained that it was the only safe route for both the mining personnel and for the transport of the extracted ore and therefore was essential for the Project. We offered to reconsider the topographic survey of the Parán road. Additionally, we offered to provide jobs to Parán community members when IMC started the exploitation phase. Our message was that there were more opportunities for growth for both parties if we cooperated.
- 64 Mr Palomares insisted that IMC pay the fees of the unilaterally appointed topographer for the road works and demanded that IMC cancel its agreements with the Lacsanga and Santo Domingo Communities. According to Mr Torres Palomares, the Project was located on Parán and therefore, IMC should only deal with the Parán Community.
- 65 We explained to Mr Torres Palomares that IMC could not go back on its agreements with the Lacsanga and Santo Domingo Communities, but he would not listen and insisted that the Project was located squarely on his Community's land. There was no mention of the previously (and

⁴⁰ Letter from IMC to MININTER (SPA), 20/03/2019, at **Exhibit C-206**.

⁴¹ Email from IMC to MEM with attachment (SPA), 20/03/2019, at **Exhibit C-207**.

repeatedly) demanded withdrawal of the criminal complaints filed against Parán representatives, nor of any recognition of environmental damage.

- 66 Additionally, Mr Torres Palomares suggested that IMC should build a processing plant on Parán. While this was not a complete surprise since IMC had offered this back in 2016,⁴² it contradicted the Parán Community's previous concerns about the presence of the Project near their communal lands. Mr Ansley and I explained that the Project, in contrast with Andean Gold Corp's previous project, did not include on-site processing, at least in the first phase. However, if the Parán Community were on board, we could discuss this possibility, including securing the required permits and building the facilities.
- 67 We also made proposals to foster the social and economic development of the area in ways that would directly benefit the Parán Community. However, Mr Torres Palomares made it clear that there was no interest in social development programmes. He then abruptly left the meeting. This was the last time we met with Parán's leadership.
- 68 Nevertheless, on 20 March 2019 Mr Estrada went to the main square in Parán's village prepared to carry out the survey which the parties had agreed to in the 26 February 2019 Agreement. However, on the morning of the survey, no Parán officials were present.

4.8 The central Government failed to react when the Parán Community again invaded the Site on 20 March 2019

- 69 On that same day, 20 March 2019, approximately 150 Parán community members (led by Mr Torres Palomares) entered the Site. They announced that all IMC staff should leave immediately. They were hostile, and some of them were armed. There was no room for discussion; IMC's staff briefed me on their way out via telephone.
- 70 On 21 March 2019, I sent a letter to the MEM to report the invasion and request the central Government's urgent intervention.⁴³ That same day, I also called Ms Tello of the MININTER, Coronel Arbulú in Huacho and Mr

⁴² Letter from IMC to the Parán Community (SPA), 06/10/2016, at **Exhibit C-97**, p. 4.

⁴³ Email from IMC to MEM with attachment (SPA), 20/03/2019, at **Exhibit C-207**.

Trigoso at the MEM. IMC personnel also filed a complaint with the Sayán Police, reporting on the Parán Community's attack and noting that Parán members had forcefully removed IMC's employees from the Site and that material from the explosives magazine had been stolen.⁴⁴

- 71 There was no immediate reaction from the Peruvian authorities. Only after the pressure exerted by Canadian Embassy officials and after many calls was I able to meet, on 28 March 2019, with representatives of the MEM (Mr Trigoso and Deputy Minister Jaime Gálvez) at the MEM's premises. I was accompanied by Mr Arévalo and Canadian Embassy officials. I reported the details of this meeting in a letter to the MEM (with the MININTER and the Canadian embassy in copy), dated 29 March 2019.⁴⁵
- 72 Yet again, at the meeting, the MEM representatives requested that we continue the "dialogue" with the Parán Community. Unbelievably, they informed us that the Parán Community had claimed that IMC had breached the 26 February 2019 Agreement by refusing to conduct the agreed topographical survey. Mr Trigoso explained to the Deputy Minister of the MEM that the agreed topographical study did not relate to Parán's road as claimed by Parán. Yet despite the clear breach of the 26 February 2019 Agreement by Parán, including through its invasion on 20 March 2019, the Government was not willing to take any concrete action to resolve the situation.
- 73 During the meeting, and in the letter that followed of 29 March 2019, I reiterated our disappointment with the central Government's passiveness in the face of the Parán Community's blatant disregard of the 26 February 2019 Agreement and the seriousness of the situation. In these circumstances, it was not reasonable for IMC to participate in further fruitless meetings with Parán officials (one had been set up for 2 April 2019). As I stated, the Parán Community first had to honour its commitment to lift the Blockade, or otherwise, the Police had to remove

⁴⁴ Criminal complaints filed with the Sáyan Police by IMC representatives, 21/03/2019, at **Exhibit C-208**.

⁴⁵ Letter from IMC to MEM (SPA), 29/03/2019, at **Exhibit C-209**.

it. We also insisted that the intervention of the Police was vital to ensure that IMC's staff could eventually operate safely at the Site.⁴⁶

74 We felt that the central Government had abandoned IMC, leaving it to fend for itself. The consequences of the central Government's position did not only affect IMC: the Parán Community had also begun to try to extort money from our contractors who wanted to recover their equipment from the Site.

75 With Parán Community members blocking the only viable road to the Site (through Lacsanga), neither IMC nor its contractors' personnel could work at the mine. Consequently, valuable mining equipment was left idle and effectively under the Parán Community's control. As can be seen from the on-the-ground reports I received from Mr Estrada in early April 2019, the Parán Community at first did not respond to requests to retrieve the equipment.⁴⁷ Parán representatives then asked for PEN 50,000 to allow our contractors to access the Site, but then settled on PEN 10,000 and an agreement that the last machine to leave the camp should block the access to the camp through Lacsanga by moving earth and rocks directly onto the road, as I understood indeed occurred further to Mr Estrada's report.⁴⁸

4.9 In April 2019 we obtained further confirmation that high-ranking officials in the central Government refused to implement the Operational Plan

76 In April 2019, we liaised with the local prosecutors to obtain a judicial order to evict the Parán Community from Lacsanga's land and remove the Blockade. The Lacsanga Community assisted us with that effort.⁴⁹ We also liaised with the Police in the hope that they would revive the Operational Plan soon. For example, on 10 and 24 April 2019, Mr Estrada reported to me that he had discussed with the Chief of the Police in charge of intelligence services in Huacho on the status of the Operational Plan. We understood that the Chief of the Police would approve the Operational

⁴⁶ Letter from IMC to MEM (SPA), 29/03/2019, at **Exhibit C-209**.

⁴⁷ See *e.g.*, Email from Enerhygas to Lupaka (SPA), 03/04/2019, at **Exhibit C-210**.

⁴⁸ Internal IMC email (SPA), 07/04/2019, at **Exhibit C-211**.

⁴⁹ Internal IMC email (SPA), 27/04/2019, at **Exhibit C-212**.

Plan and then send it to Lima for approval. He suggested further that we lobby various government officials to get it approved.⁵⁰

- 77 On 25 April 2019, Mr Estrada reported on a meeting he had with the Police in Sayán relating to the Operational Plan. The Police had received instructions from the Minister at the MININTER to delay execution of the Operational Plan because the dialogue with the Parán Community should continue. The Police indicated candidly during the meeting that the Parán Community had better contacts than IMC within the central Government in Lima and the Blockade was not seen as sufficiently grave by those government officials.⁵¹ This confirmed my impressions as to the reasons for MININTER's lack of action.

4.10 Upon attempting to gain access to the Site on 14 May 2019, Parán Community members violently attacked IMC personnel and their private security escorts

- 78 We requested assistance from War Dogs Security S.A.C. (“WDS”), a security consultant. We had previously been in contact with them to assist the Police with the Operational Plan and to secure the Site after the Blockade had been lifted. In early May 2019, WDS provided support to the Police in its investigations relating to the Operational Plan.
- 79 In particular, WDS provided support to the Huacho Police's intelligence services. They did so by, for example, using special equipment such as drones and video cameras to surveil the Site and the Blockade. As the Police did not have access to this equipment, WDS was able to provide valuable assistance to the Police's efforts. The intelligence gathered through these efforts was to inform the Operational Plan. As Mr Estrada reported to me during the early morning of 1 May 2019, two officers from the Police and several members of WDS approached the Blockade and found that there were only seven Parán members present.⁵²

⁵⁰ Internal IMC email (SPA), 10/04/2019, at **Exhibit C-213**; Internal IMC email (SPA), 24/04/2019, at **Exhibit C-214**.

⁵¹ Internal IMC email (SPA), 25/04/2019, at **Exhibit C-215**.

⁵² Internal IMC email (SPA), 04/05/2019, at **Exhibit C-216**, p. 2.

- 80 A few days before 14 May 2019, WDS personnel confirmed to me that the tents set up by the Parán Community on the Lacsanga road were empty. A trip to secure the Site without any conflict thus appeared feasible, given the abandonment of the Blockade. Indeed, the only possible access, even on foot, was through the Lacsanga road. WDS requested authorisation to enter the Site and I specifically stated that police presence was required before they could do so. The idea was to travel to the Site via the Lacsanga road accompanied by a few officers from the local police force as had occurred on 1 May 2019.
- 81 At 7 am on 14 May 2019, I received a call from one of the WDS personnel, informing me that they were inside the Site. I asked him whether there were any Police officers with them, given my previous instructions. They responded that the Police were on their way and that they would draw up a report on the status of the mine and the camp. I understood that Mr Estrada was also making his way up to the Site.
- 82 However, shortly after Parán Community members began arriving at the Site by the hundreds and with a highly hostile attitude. WDS personnel then alerted me that they would leave the Site immediately. But before they could leave, Parán members started shooting. I understand that the WDS team fled the area through the hills, as did Mr Estrada, without returning fire.
- 83 The following day I learnt the Sayán Police had detained some individuals in an area close to the Site, that two of those individuals had been injured and taken to hospital and that there had been one fatal casualty in a small town near the Site. It was not clear if this fatality was related to the 14 May 2019 events at the Site. We could confirm, however, that nobody from the Parán Community was injured.
- 84 The Parán Community reposted 20 armed gunmen at the Blockade as the Police was able to verify on 25 May 2019.⁵³ They continued to display a belligerent attitude. As the Police further reported whenever Lacsanga representatives approached the area of the Blockade, the Parán gunmen fired shots in the air.

⁵³ Police Information Note on Parán Conflict (SPA), 25/05/2019, at **Exhibit C-217**.

4.11 Renewed discussions with central Government officials in May 2019 again led nowhere

- 85 On 20 May 2019, high-ranking government officials from the MEM, the MININTER, the Presidency of the Council of Ministers (“PCM” for “*Presidencia del Consejo de Ministros*”) as well as the Ombudsman’s office (“*Defensoría del Pueblo*”), met with Parán officials to discuss the Blockade. Neither the various government officials nor the Parán Community invited IMC.⁵⁴ As we were informed in the subsequent meeting, Parán officials had stated that the events of 14 May 2019 showed that IMC had not complied with the 26 February 2019 Agreement. They also requested that the Site be closed.
- 86 On 27 May 2019, I attended a meeting with the same group of high-ranking State officials who met with the Parán officials a week before. They informed me of the content of the discussions with the Parán officials on 20 May 2019. I again explained to the government officials the difficulties we had had with the Parán Community and our attempts to reach an agreement with them despite their history of violent conduct. Ms Evelyn Tello of the MININTER’s Deputy Minister’s office stated that all possibilities of dialogue had to be exhausted before the Police would intervene and use force and, in any event, she had not received the Operational Plan. The MININTER thus again displayed its lack of willingness to help. After more than seven months of the Blockade and violent action by the Parán Community, it was clear that the situation called for the intervention of the Police. We had seen the detailed Operational Plan that the Police had drawn up in February 2019. I was shocked that it had, purportedly, not come to her attention. The MININTER representative stated that the MININTER was not prepared to authorise the intervention of the Police. In its view, the issue was related to a conflict between the Lacsanga Community and the Parán Community, for which it was not competent.

⁵⁴ MEM (Mr Nilton Cesar León Huerta), Presidency of the Council of Ministers (“PCM”, Mr Carlos Rufino Ching Chevez), MIA (Ms Evelyn Tello Cerrón and Ms Casandra Llosa Montagne) and the Ombudsman Office (Carlos Andrés Vera Vásquez).

- 87 I made it clear that IMC took issue with the central Government’s refusal to confront the Parán Community, including with force. I stated our concern for the safety of our personnel and that of local residents. I again demanded that authorities enforce the law and that Parán members be removed from the Lacsanga road.
- 88 The central Government representatives then informed me that the Parán Community had put forward three cumulative conditions to agree to lift the Blockade:
- i) That IMC agree with the Parán community terms equivalent to those reached with the other communities;
 - ii) That IMC replace its CR Team staff; and
 - iii) That IMC withdraw the criminal charges filed against Parán’s leaders.⁵⁵
- 89 It appeared that the Parán Community was again changing its demands: the processing plant was suddenly off the table, but it had re-introduced the demand to withdraw criminal charges (as per their previous position),⁵⁶ and now they were demanding that we change our CR Team. The government officials insisted that we negotiate as demanded by the Parán Community.
- 90 I responded that the central Government’s insistence on maintaining “dialogue” exposed its unwillingness to address the situation. There had been multiple failed attempts at dialogue with Parán officials. I expressed my frustration at the central Government’s stance and questioned why it was not upholding the law despite our repeated requests. I stated that the central Government’s failure to act obliged us to consider all actions to protect our investments in Peru and internationally. The meeting closed with the PCM representative stating that all parties should wait for 15 days before taking any further action.

⁵⁵ Summary of the meeting between MEM, PCM, MININTER, Ombudsman’s Office and IMC, 27/05/2019, at **Exhibit C-18**, p. 6 (para. 18).

⁵⁶ See *e.g.*, Report on meeting between IMC, the Parán Community, the MEM and the Mayor of the District of Leoncio Prado (SPA), 24/10/2018, at **Exhibit C-173**, p. 1-2.

4.12 High-ranking government officials again ignored our final pleas for help in June and July 2019

- 91 After the 15 days elapsed, the Parán Community remained in control of the Site. Indeed, we received a report that on 31 May 2019, the Huacho Prosecutor, accompanied by a 20-strong Police contingent, travelled to the Blockade as part of an investigation following a complaint lodged by Lacsanga. There were 20 Parán members at the Blockade and around a further 300 members some 500 meters away. The Parán members at the Blockade initially refused entry to the Site, although the authorities were eventually allowed to verify the camp's status. Lacsanga's President, who had accompanied the authorities, was subjected to physical and verbal aggression.⁵⁷
- 92 We continued attempting to push the central Government into action with the help of Canadian diplomatic officials. We received a message from our contact in the Canadian embassy that on 10 June 2019, Ambassador Kutz advocated for Lupaka before the MEM Minister. The Ambassador requested that the MEM take decisive action to restore Lupaka's investment rights. The Minister and his staff committed to follow up with Lupaka's representatives promptly.⁵⁸
- 93 The follow-up that came was not surprising. By letter dated 19 June 2019, the MEM invited Parán's President and me to a further meeting on 21 June 2019.⁵⁹ This meeting was postponed to 2 July 2019 as I was out of the country on 21 June 2019. Ultimately Parán officials refused to attend, and the same high-ranking government officials that I had dealt with on previous occasions were present from the MEM, the PCM, the MININTER and the Ombudsman's office. They were aware that this was likely the last opportunity to resolve the issue as IMC was in a dire financial state owing to the Blockade.
- 94 The government officials requested an explanation regarding the events of 14 May 2019, which I provided. I also stated that I did not understand why

⁵⁷ Internal Lupaka email with attachment (SPA), 12/06/2019, at **Exhibit C-218**.

⁵⁸ Email chain between Canadian Embassy officials and Lupaka, 19/06/2019 to 6/6/2019, at **Exhibit C-219**.

⁵⁹ Letter from MEM to the Parán Community (SPA), 19/06/2019, at **Exhibit C-220**.

they were focussing on this incident while at the same time ignoring the long history of violence by Parán officials. I stated that it was absurd that Parán officials were using the events of 14 May 2019 to justify their continued Blockade when it was the Parán Community that had acted violently. As I had done countless times before, I reiterated that we needed the State to intervene. The response, again, was that the dialogue should continue.⁶⁰

- 95 In a letter to the MEM dated 8 July 2019, we alerted the central Government of the Parán Community's intentions to appropriate IMC's stockpiled ore and their plans to exploit the mine as they had approved in their latest Assembly, as Mr Estrada informed me.⁶¹ I also reported that we had learnt that the Parán Community had begun stealing equipment. We received no response to this letter.
- 96 Canadian Embassy officials then advised me to meet the Deputy Minister of the MEM at the time, Mr Augusto Cauti. They arranged the meeting for 15 July 2019, and I attended together with them. I explained to Mr Cauti, who was not aware of the details of our plight, that IMC had always been willing to meet with Parán officials but that they had maintained the Blockade and were violent. I also noted that, since the May 2019 attack on the WDS personnel and Mr Estrada, the central Government had apparently taken the position that IMC was to blame for the violent atmosphere in the area, even though it was Parán members who had reacted violently and started shooting. I also noted my understanding that the Parán Community was now exploiting the mine itself.
- 97 Mr Cauti expressed his concern and asked for copies of the documents filed and pictures showing the illegal actions. He stated that if Parán's representatives were indeed extracting ore, he could call the Deputy Minister at the MININTER to alert him and ask for Police intervention. However, this did not happen, and we did not have any further meetings

⁶⁰ Minutes of the meeting between MEM, PCM, MININTER, Ombudsman's office and IMC, 02/07/2019, at **Exhibit C-221**.

⁶¹ Letter from IMC to MEM (SPA), 08/07/2019, at **Exhibit C-13**.

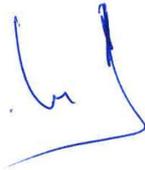
with government officials after this date. I prepared minutes of the meeting to memorialise the discussion.⁶²

- 98 In June 2019, the Blockade forced IMC to close its office in Lima. By July 2019, we had terminated or placed on unpaid leave 90% of IMC's employees. Lupaka lost its investment entirely in August 2019 further to its creditor's seizure of its shares in IMC.

⁶² Summary of the meeting between Deputy Minister of Mines and IMC with support of Canadian Embassy officials, 15/07/2019, at **Exhibit C-222**.

* * *

This witness statement has been drafted with the assistance of LALIVE, counsel for Lupaka Gold Corp., on the basis of several discussions and exchanges of correspondence. I have carefully reviewed the statement and confirm that it correctly reflects my recollection of the facts described and my opinions. I am prepared to appear before the Arbitral Tribunal to confirm the content of this statement.



Luis Felipe Bravo García

Signed on 1 October 2021 in Lima.