

Matthew Bland
Group General Counsel
Jardine Matheson Holdings Limited

April 19th 2023

Dear Matthew Bland,

Firstly, we would like to thank Jardine Matheson Holdings Limited (JMH) for seeking advice with the ARRC Task Force and for trying to improve the mitigation of impacts of the Martabe Gold mine on the Critically Endangered Tapanuli orangutan.

Unfortunately, this letter is to inform you that the ARRC Task Force will not be renewing the Memorandum of Understanding (MoU) we have with JMH, which expired on December 31st, 2022. The panel set up to advise the Martabe Gold mine reached this conclusion after we failed to find a way forward which would allow the panel to conduct an independent and effective review of the project's data on orangutans.

The latest arrangement proposed by Agincourt Resources on February 15th would make ARRC's involvement a tick box exercise. Contrary to what Agincourt has stated, ARRC is not trying to 'control' the process; ARRC's function is to review each step of the process to ensure that the data collected will be sufficient to inform future mine operations and the proper application of the mitigation hierarchy. ARRC has successfully engaged with, and provided advice to, approximately 20 projects worldwide and we have never encountered this issue.

We would like to reiterate that if the project hires or consults with orangutan experts and SGA members, this will not fulfill the requirement of paragraph 73 of the guidance note to IFC PS6. Following best practice with regards to mitigating impacts to great apes, as per IFC guidelines, requires a successful engagement with the ARRC Task Force.

Finally, we would like to provide some explanations and comments to documents that were shared with us:

- Agincourt Resources has indicated that redoing the original 2003 orangutan surveys would take time and 'require huge amount of work'. Not only these data are 20 years old and would never be accepted as a suitable 'baseline' for a current impact assessment, but we also proposed to redo these surveys to better understand what impacts the mine activities over the last 20 years has had on orangutans. This is important for informing the mine expansion. In any case, if the project had been following best practice, there should have been a monitoring plan in place, and these surveys would have been conducted on a regular basis as part of the monitoring plan.
- We have seen the 'Statement of Independence' from the Biodiversity Advisory Panel; however, we do not consider the BAP as independent mainly because they are paid by the project (which constitute a conflict of interest), and they are reviewing themselves the data they collect.

- The area considered for expanding the mine towards the North is in a Key Biodiversity Area, which has also received the status of “Alliance for Zero Extinction”, which highlights the sensitivity of the area for biodiversity. An assessment of alternative options for project development, specifically the feasibility of expanding the mine to the South, which would avoid significant impacts to the Tapanuli orangutan and its habitats, is a critical assessment that needs to be completed, and that is also required to demonstrate alignment with best practice.
- We encourage the project to take a step back and look at the project at the landscape level before developing further instead of looking at its immediate footprint and conducting rapid surveys. Orangutans range over large distances and move around in the landscape. Furthermore, they have had to adapt to the mine activities and its impacts. Currently, the project does not have any data to understand the significance of its impacts to date on orangutans. Aside from obtaining a clearer picture of the current state of the orangutan population across the project’s area of influence, such data is critical to plan the future expansion of the mine and needs to happen before any further deforestation and general disturbance related to mining exploration activities takes place.

Best regards,

A handwritten signature in black ink that reads "Genevieve Campbell". The signature is written in a cursive, slightly slanted style.

Dr Genevieve Campbell

On behalf of the IUCN SSC PSG SGA SSA ARRC Task Force’s panel for this project