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CLOSURE PLANS UPDATES AND AUDITS PROGRAM FOR YEAR 2021

The National Geology and Mining Service (the " **SNGM** ") has issued exempt resolution No. 69/2021 [1] (the " **Resolution** "), which establishes the program of updates and periodical audits of closure plans to which the companies listed there must comply within the 2021 calendar year.

Closure Plans.

Law No. 20,551 (the " **Closure Law** ") compels mining companies, as defined in the Closure Law, to design a series of technical measures and actions that should be implemented at the time of closing facilities and sites in order to prevent, minimize and control risks to the life and health of people and the environment, assuring their physical and chemical stability (" **Closure Plan** ").

The Closure Plan must be prepared in accordance with the project's environmental qualification resolution and must be approved by the Director of the SNGM prior to the start of exploration or exploitation of mining facilities.

The Closure Law was modified by Law No. 21.169 (the " **Amendment** "), which, among other matters, replaced the first periodic audit of the Closure Plan with a requirement to update it within the same term of 5 years, only with respect to companies whose closure plans have been approved pursuant to Title X of the Mining Safety Regulations. This is, notwithstanding their duty to periodically audit, from now on, its closure plans in accordance with said law. [2]

Updates or Audits.

Pursuant to the Modification, mining companies listed in the Resolution, whose closure plans benefited from the transitional regime (therefore, their Closure Plans are simply valued) and were approved in 2016, must update them to incorporate a risk assessment for the determination of closing measures, activities and works, as well as post-closing works. This update is required without

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the need for an audit that orders it.

The Resolution allows a month to deliver the updated project of each Closure Plan of the respective mining companies. While this period does not expire, Closure Plans that are simply valued will be considered current and valid for all legal purposes.

Likewise, the Resolution indicates which projects and mining companies subject to the general application procedure must undergo the corresponding audit, and the proposed month to deliver the audit report, in accordance with the Closure Law.

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[1] Available at https://www.diariooficial.interior.gob.cl/publicaciones/2021/01/14/42854/01/1879335.pdf

[2] Further information on https://wp.carey.cl/en/amendment-to-law-no-20551-on-closure-of-mining-sites-and-facilities-inclusion-of-insurance-

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