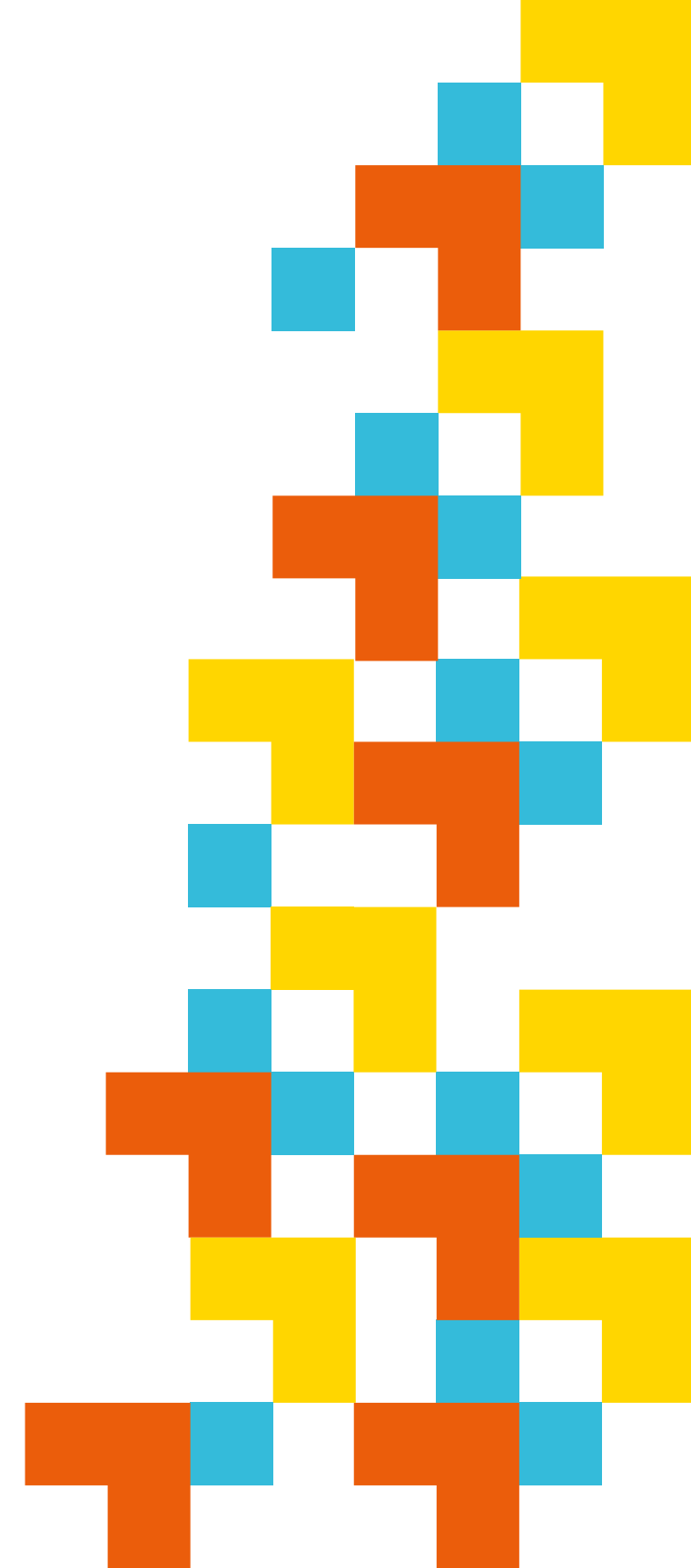




# 2021

## SUSTAINABILITY REPORT





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# ABOUT THIS REPORT

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GRI 102-46, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56,  
LPRM 101

This is the first Elevar Resources Sustainability Report prepared following the Essential option of the GRI Standards and based on these principles for the definition of its content and quality. It covers the economic, social, and environmental management of the company between January 1 and December 31, 2021, within the framework of the operation of the Cerro Blanco Project in Asunción Mita, Jutiapa (Guatemala).

With this, Elevar Resources reaffirms its commitment to present its sustainability reports annually to its stakeholders.

If you have any questions or comments, please contact:

**Roberto Del Águila**

Communications Manager

roberto.delaguila@elevar.gt





# LETTER FROM THE CEO

## GRI 102-14

We are pleased to present our second Sustainability Report to our stakeholders. This year's report outlines our environmental, social, and governance (ESG) performance in 2021 and builds on our initial 2020 Sustainability Report. This year's report is aligned with the Global Reporting Initiative (GRI) standards and is a significant achievement for a company such as ours.

2021 was a transformational year for Bluestone: at the Cerro Blanco Project, we made a strategic decision to move from an underground development scenario to a surface mining operation. The change in development strategy significantly improved the project's economics and will generate more opportunities for our local and national stakeholders. To reflect this transformation, we changed the name of our Guatemalan subsidiary to Elevar Resources, which better reflects our overall improved approach and project. In addition, in 2021 we were able to advance the Cerro Blanco Feasibility Study and submit the environmental permit update application to support the transition.

Throughout this change, we remained true to our values: we behave responsibly, safely, and sustainably; we work together; and we show respect for our people, the environment, and the community. These values drive our approach in everything we do, as

we strive to build stakeholder trust by transparently accounting for our contributions, impacts, and relationships over time.

### Performance

The health and well-being of our employees and communities are always a top priority and an essential part of our business. We are proud to announce that we completed more than 520 thousand hours without lost-time injuries during 2021.

The COVID-19 pandemic remained a challenge to the world and our business. During 2021 we provided the opportunity for our mine site workforce to be fully vaccinated. In addition, the Cerro Blanco Project made it possible to vaccinate 3,161 people in rural communities by providing transportation and facilities to administer doses at the mine site.

At the end of November, we submitted the environmental permit update application to incorporate the change in the mining method. The application is a comprehensive document that supports the development of the project in a responsible manner. A detailed description of the Cerro Blanco Project, environmental aspects, and mitigation measures was also presented to the surrounding communities. More than 800 people

were informed about the development of the project through guided tours at the mine or by attending the socialization event we held in November.

We established a social management framework based on three pillars: social and economic development, education, and community infrastructure. Through our partnership with a local vocational institution, we initiated training programs aimed at reaching more than 500 community members in preparation for construction activities. Additional programs were scheduled for the first quarter of 2022, with a focus on carpentry, electrical, masonry, and welding. In addition to job training, we have supported the national government's Adult Education Program, working with local educational institutions. The program aims to improve the social and economic conditions of communities within the project's area of influence and improve eligibility for future employment and/or entrepreneurship.

We have and always will set an extremely high value on the water, a valuable and critical resource that is a fundamental human need. All water used at the site is sent to our treatment plant, which is one of the most advanced water treatment facilities in the region. There, the water is treated to comply with Guatemalan legislation and international best practices. We conduct water monitoring at different locations around the project as part of our environmental management plan. Water quality results are regularly reported to authorities and shared with local communities for transparency.

Staying true to our corporate mission and vision of generating stakeholder value through responsible, sustainable, and innovative development, in 2021 we installed a real-time environmental monitoring system that collects data on the project and provides information to mitigate any impacts on surrounding areas in a timely manner.

### Looking ahead

Major milestones in 2022 are to include the completion of the Feasibility Study, and the advancement of project financing. With this significant increase in activities, it is imperative that we remain focused on our commitment to responsible and sustainable resource development.

I invite you to explore our Sustainability Report, which has been produced through the efforts of our team in Guatemala and in partnership with the Lundin Foundation. I would also like to thank all Bluestone and Elevar Resources employees for their hard work in advancing the Cerro Blanco Project over the past year.

### Jack Lundin

President and CEO  
Bluestone Resources Inc.





# THIS IS ELEVAR RESOURCES

## GRI 102-1

Elevar Resources is a natural resources company focused on the development of the Cerro Blanco mining project. Previously, the company was called Entre Mares de Guatemala, it existed in the country for 15 years under that name. In 2017 the project was acquired by the Lundin Group, through Bluestone Resources. In October 2021 it changed its name to Elevar Resources.

## LUNDINGROUP

Bluestone Resources is part of the Lundin Group of Companies, which comprises 12 publicly traded companies operating in 25 countries around the world. The Lundin Group prides itself on discovering and developing natural resources and building responsible, world-class operations.

More information at: <https://thelundingroup.com/about-us/>



## ➤ CERRO BLANCO PROJECT

GRI 102-2, 102-4, 102-6, 102-10  
LPRM 101

Cerro Blanco is a high-grade gold project located in southeastern Guatemala, 157 km from Guatemala City and at 7 km from the Municipality of Asunción Mita, in the department of Jutiapa.

Recently, and after more than a year of work, a comprehensive engineering and technical study was completed describing the new development strategy for the project. Considering this new information, and taking advantage of the previous work done, the management of the company decided to change the mining method from underground to a surface operation.

In November 2021, an Updated Environmental Management Plan (UEMP) was completed and submitted to the authorities; many of the plan's assumptions were improved with the new technical study. Once approved and with additional funding secured, construction of the mine can commence. Construction will take approximately two years.

## ➤ MINING METHOD

Technically, moving from underground mining to surface mining makes the project much simpler and safer, as it allows for stricter control of waste management. In terms of industrial safety, the work teams have fewer risks compared to underground mining, such as control of hot water owing to nearby geothermal activity, high temperatures and failure of underground mine support structures. Furthermore, general conditions are more favorable, as there is natural ventilation throughout the day and there's no need for artificial lighting, which

results in consequent energy savings. In addition, the change in the mining method will bring better results for all stakeholders, as there will be an increase in opportunities for the generation of local employment and greater contribution to the Guatemalan economy through taxes and royalties.

## ➤ ELEVAR RESOURCES

GRI 102-16

As of October 8, 2021, the company became Elevar Resources. It is a new identity that seeks to better reflect our business values and our company's commitment to Guatemala and its people.

Elevar Resources seeks to provide the knowledge, technology, and best practices of the Lundin Group companies to promote the progress and development of neighboring communities. We are a company with responsible and committed professionals who value inclusion and diversity while being very conscious of the need to care for and protect the environment.

At Elevar Resources we believe in dialogue and teamwork as the most efficient vehicle to achieve positive results for all. Our company values are summarized in the following statement:

**“We behave in a responsible and sustainable manner, working together and showing respect for our people and the community.”**

## ➤ ELEVAR IN FIGURES

GRI 102-7

**114**   
**EMPLOYEES**

AS OF DECEMBER 31, 2021

## ➤ PROJECTIONS

GRI 401  
LPRM 101

The Cerro Blanco Project is a high-grade, near-surface gold deposit with the following features:

- Proven and Probable reserves of **2.8 million ounces of gold and 12.6 million ounces of silver** (53.9 million tonnes at 1.6 g/t Au and 7.3 g/t Ag).
- **2.6 million ounces of gold and 10.6 million ounces of silver** recovered over an initial mine life of **14 years**.
- Peak production of 347,000 ounces and average annual production of **241,000 ounces of gold** during the first ten years of operation.
- It is estimated that, during production, the project will contribute **\$160 million annually** to the Guatemalan economy and approximately **\$1.8 billion over the life of the mine** through employee salaries, consumables, taxes, and royalties.

- In taxes and royalties alone, the project is expected to generate payments to the Government of approximately **\$300 million**.
- During construction, it is estimated that direct and contractor employment will peak at approximately **1100 persons**. During operations, it is estimated to range between **400 and 500 people**. It will also generate several thousand additional indirect jobs to support mine operations.
- The project is expected to improve local and regional infrastructure, advance existing community investment programs, and promote small business development and other economic diversification activities.
- Initial capital (CAPEX) of **\$572 million**, with a payback period of **2.2 years**.

## ▶ SUPPLY CHAIN

GRI 102-9



## ▶ SUPPORT FOR EXTERNAL INITIATIVES AND AFFILIATIONS

GRI 102-12, 102-13

Elevar Resources actively participates in the following Guatemalan industry associations:



We also contribute to the Mining Association of Canada through our collaboration with the Lundin Foundation.



In addition, the Company subscribes to or supports the following externally developed economic, environmental, and social initiatives:

- Extractive Industry Transparency Initiative (EITI)





# 2021 SUSTAINABILITY HIGHLIGHTS

- 82% of employees participated in the materiality analysis survey.
- US\$ 16,480,428 was generated and distributed. This figure includes salaries and benefits to employees, payments to the government, purchases from suppliers, and investments in the community.
- Zero corruption allegations or investigations.
- US\$ 2,448,406 was paid to the government in taxes.
- 97% of our employees and contractors are Guatemalan nationals, and 63% come from the direct and indirect areas of influence of the Cerro Blanco Project.
- We completed 12,460 training hours on different technical and skills development courses for employees and for the neighboring communities.
- We trained 100% of our employees and contractors on our Human Rights Policy, Code of Professional Conduct and Ethics, and anti-corruption procedures.
- Medical care and a life insurance policy for 100% of the workers.
- 99% of employees were immunized against the SARS-CoV-2 virus.
- We recorded 522,797 working hours with no lost-time incidents.
- 100 bird species were documented for biodiversity management at the project's protection areas.
- To support the National Forestry Institute, we donated 15,000 dry forest tree species to reforest a 15-hectare area.
- 516 people from the communities participated in our Getting to Know the Cerro Blanco Project event.
- 34 guided tours of the mine, with the presence of 291 key stakeholders from the community, and public and private entities.
- We invested US\$ 897,151 (Q6,996,990) in social and development programs for the communities in the area of influence.
- We made purchases worth Q74.6 million, of which Q61 million (81.7%) corresponded to Guatemalan businesses and Q12.4 million (16.6%) to companies in Jutiapa. Of the latter, Q11.8 million (95%) of such purchases were made at the Cerro Blanco Project's area of influence.



# OUR APPROACH TO SUSTAINABILITY

We strive to monitor and manage the social, environmental and economic impacts, risks and opportunities associated with our business. We also meet and strive to exceed local regulations, as well as to implement sustainability management systems according to international standards and industry best practice.

Our Sustainability Policy sets out our commitments to:

- Prioritize worker health and industrial safety.
- Engage stakeholders with honesty and integrity.
- Respect the human rights of our employees and external stakeholders.
- Contribute to the well-being of the community and to respect local history and customs.
- Provide local employment and procurement opportunities.

- Maximize stakeholder benefits.
- Develop sound emergency response plans.
- Manage water, biodiversity, land, and natural resources responsibly.

To reinforce the aforementioned commitments we adhere to the guidelines of the United Nations Global Compact and the International Finance Corporation's Performance Standards on Environmental and Social Sustainability. In addition, we are taking the first steps to integrate relevant standards into our operations, such as the Voluntary Principles on Security and Human Rights and The Mining Local Procurement Reporting Mechanism (LPRM).

Our sustainability approach and performance are strengthened thanks to the support and accompaniment of the Lundin Foundation.



The Lundin Foundation is a not-for-profit organization based in Canada that plays a key role in strengthening our approach to sustainability. The Foundation helps Lundin Group companies to improve their environmental, social, and governance performance and supports our company

in areas related to sustainability strategy, management systems, international standards, communications and reporting, as well as capacity building, local employment, procurement, and partnerships with international organizations.



## ▶ RESPONSIBLE MINING

### GRI 102-11

Modern mining makes intensive use of technology to generate more efficient production processes with less impact on the environment. International standards are very strict in the monitoring, prevention, control, and mitigation of environmental events. Elevar Resources uses technology, systems, and procedures for first-class environmental management.

Operational safety is another fundamental element for the responsible, sustainable, and innovative development of the company. We apply risk management with a focus on environmental precaution and prioritize people; which is why we invest in our workers, their families, and neighboring communities.





# STAKEHOLDERS





## GRI 102-42, 102-43

Our definition of stakeholders is based on global standards that define them as groups of people, organizations, or institutions that may be directly or indirectly affected by our operations or that may influence the performance of our business strategy or sustainability priorities, which have been formulated considering their expectations.

Our engagement with stakeholders is based on systematic, friendly, respectful, and transparent dialogue that promotes mutual growth and responsible operations. We map communication channels, analyze the impact of our activities on stakeholders and align our objectives with their expectations.

## GRI 102-40, 102-44

Stakeholders	Actors	Participation mechanisms	Key issues or concerns
 <b>Communities</b>	<ul style="list-style-type: none"> <li>• Neighbours in the influence area (IA)</li> <li>• Community authorities</li> <li>• Women's groups</li> <li>• Student groups</li> <li>• Farmers' associations</li> <li>• Opponents and activists</li> </ul>	<ul style="list-style-type: none"> <li>• Informative meetings</li> <li>• Guided tours</li> <li>• Complaint mechanism</li> <li>• Educational sessions</li> <li>• Socialization events</li> <li>• COVID-19 Vaccination Days</li> <li>• INTECAP Program</li> <li>• PRONEA Program</li> <li>• Invitation to specific events</li> </ul>	<ul style="list-style-type: none"> <li>• Local employment</li> <li>• Social investment</li> <li>• Management of social and environmental impacts of the project</li> <li>• Education and training programs</li> <li>• Strengthening of the local economy</li> </ul>
 <b>Government</b>	<ul style="list-style-type: none"> <li>• Local authorities</li> <li>• Ministry of Public Health and Social Assistance</li> <li>• Ministry of Education</li> <li>• Secretariats and central government delegations</li> </ul>	<ul style="list-style-type: none"> <li>• Joint working groups</li> <li>• Generation of alliances</li> <li>• Guided tours</li> </ul>	<ul style="list-style-type: none"> <li>• Social investment</li> <li>• Local employment</li> <li>• Management of social and environmental impacts of the project</li> <li>• Local economic development</li> <li>• Community programs and projects</li> </ul>
 <b>Environmental authorities</b>	<ul style="list-style-type: none"> <li>• Ministry of Environment and Natural Resources (MARN)</li> <li>• Ministry of Energy and Mines (MEM)</li> <li>• National Forest Institute (INAB)</li> </ul>	<ul style="list-style-type: none"> <li>• Formal dialogue</li> <li>• Project visits</li> <li>• Inspections</li> <li>• Compliance reports</li> </ul>	<ul style="list-style-type: none"> <li>• Project environmental impact management</li> <li>• Land use</li> <li>• Programs and management plans</li> <li>• Water quality</li> </ul>
 <b>Non-government institutions</b>	<ul style="list-style-type: none"> <li>• Catarineca Fraternity</li> <li>• FUNDAZUCAR</li> <li>• AMAR Association</li> </ul>	<ul style="list-style-type: none"> <li>• Joint working groups</li> <li>• Generation of alliances</li> <li>• Health workshops</li> </ul>	<ul style="list-style-type: none"> <li>• Community development programs</li> <li>• Public health</li> </ul>

Stakeholders	Actors	Participation mechanisms	Key issues or concerns
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Employees of the different departments</li> </ul>	<ul style="list-style-type: none"> <li>• Staff Development Program</li> <li>• Formal Education Program</li> <li>• INTECAP Training Program</li> <li>• Youth Mineralogical Club (employees' children)</li> <li>• COVID-19 Vaccination Days</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusion and equity</li> <li>• Workers' rights</li> <li>• Stability and professional growth within the organization</li> <li>• Technical training and development programs</li> </ul>
 <b>Contractors</b>	<ul style="list-style-type: none"> <li>• Project contractors</li> <li>• Contractors' personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Governance Framework</li> <li>• Governance Induction</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with corporate policies and standards</li> <li>• Health and safety</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Local suppliers</li> <li>• National suppliers</li> <li>• International suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier Development Program - NEXO</li> <li>• Information seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Local purchasing</li> <li>• Education and training programs</li> <li>• Strengthening of local economy</li> </ul>
 <b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Shareholders</li> <li>• Investors</li> </ul>	<ul style="list-style-type: none"> <li>• Financial and sustainability reports</li> <li>• Board of Directors</li> <li>• Website</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• ESG performance</li> <li>• Risk management</li> </ul>

# MATERIALITY ANALYSIS

## GRI 102-46, 102-47

As part of the engagement exercise, and with the support of the Lundin Foundation, a materiality analysis was conducted in 2021. The analysis consists of the application of a method to determine priority sustainability issues based on the effects that each issue has within the organization and its stakeholders. This is an input for strategy, resource allocation, and management systems that allows us to communicate and demonstrate compliance and leadership regarding the most relevant issues for a sustainable management to our stakeholders.

We conducted this analysis per the cycle proposed by

GRI Standards:

- 1. Identification:** Draft of a list of potentially important issues for Elevar Resources, the sector, and the environment.
- 2. Prioritization:** Identification of the relevant issues for our business, considering peer and industry benchmarking, regulation, stakeholder expectations, and corporate strategy.
- 3. Validation:** Confirmation of prioritized issues with senior management.
- 4. Revision:** Evaluation of the Sustainability Report and the matters contained therein.

The process was based on the analysis of data obtained



through the Datamaran artificial intelligence platform, which incorporated the following:

- Benchmarking against 112 companies
- 1,085 mandatory regulations
- 658 voluntary regulations
- 12,187 news articles
- > 515 billion mentions in social networks

This analysis was complemented with the vision of external and internal stakeholders: we held interviews with the Municipality of Asunción Mita, the Chamber

of Commerce of Asunción Mita, the National Technical Institute of Training and Productivity (INTECAP), and the Ministry of Education, and integrated the perceptions gathered in the social baseline process.

Simultaneously, we achieved great internal involvement through an employee survey with the **participation of 82% of the workforce**. We also developed a focus group with the Bluestone Resources management team and with the Elevar Resources management team where a correlation was conducted regarding corporate risks.

## ECONOMIC VALUE CREATION

### GRI 201

The Cerro Blanco Project will bring substantial economic benefits to Guatemala, both locally and nationally. This will be one of the largest foreign direct investments in the country since the COVID-19 pandemic started and will contribute significantly to the Gross Domestic Product. Specifically:

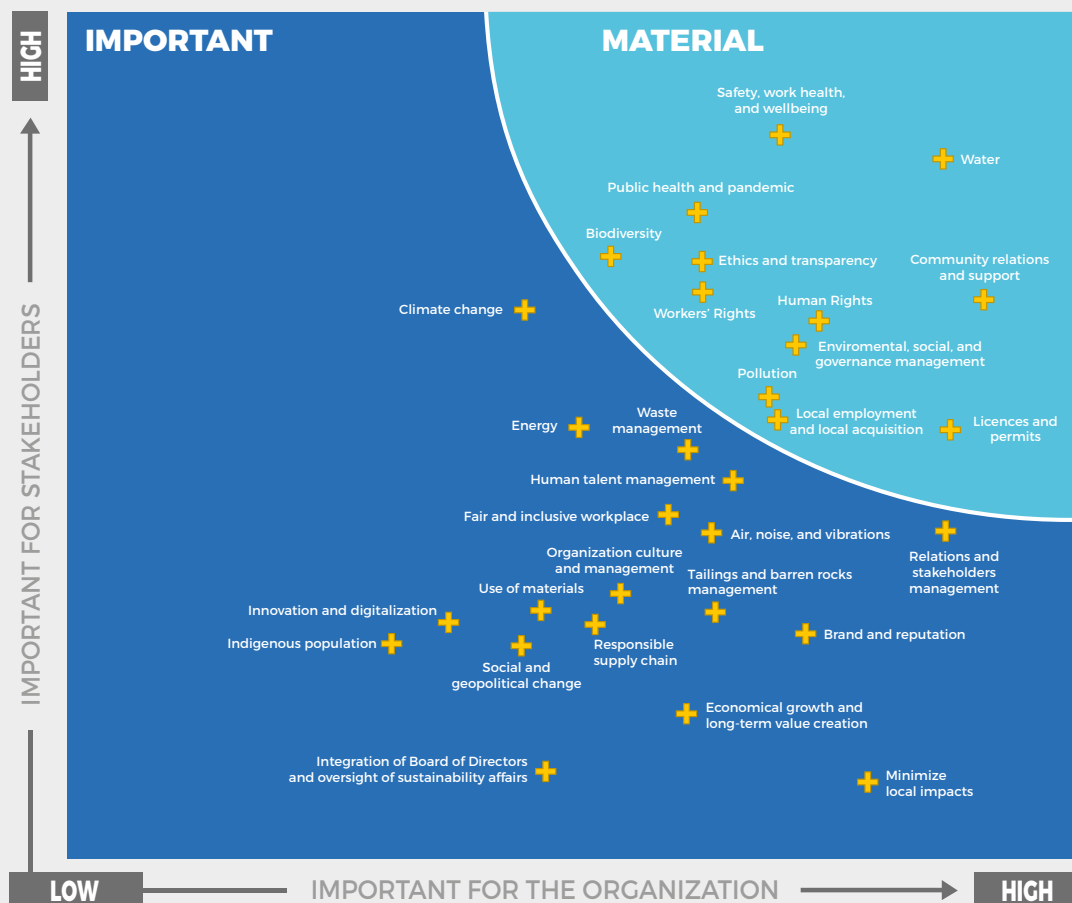
- The project is expected to improve local and regional infrastructure, advance existing community investment programs, and promote small business development and other economic diversification activities.

### GRI 201-1

In 2021, the economic value generated and distributed by Elevar Resources was **US\$16,480,428** and its breakdown is presented below:

Creation of Economic Value	Total 2021 Figures in USD
<b>Economic Value Generated (EVG)</b>	
Income	\$ 96,766
<b>Distributed Economic Value (DEV)</b>	
Operating costs	\$ 9,800,958
Salaries and benefits	\$ 3,700,070
Payments to capital providers	-
Payments to the government	\$ 2,448,406
Community investments	\$ 627,760
<b>Economic value generated and distributed</b>	<b>\$ 16,480,428</b>

### MATERIALITY MATRIX



### GRI 102-47

Our material topics are listed below, and information on each of these topics will be provided in the following chapters.

- ◆ Water
- ◆ Industrial safety, occupational health, and wellness
- ◆ Community relations and support
- ◆ Public health and pandemic
- ◆ Licensing and permits
- ◆ Human Rights
- ◆ Ethics and transparency
- ◆ Employee rights
- ◆ Biodiversity
- ◆ Environmental, social, and governance risk management

- During production it is estimated that the project will contribute **\$160 million annually** to the Guatemalan economy and approximately **\$1.8 billion over the life of the mine** through employee salaries, consumables, taxes, and royalties.
- In taxes and royalties alone, the project is expected to generate payments to the Government of approximately **\$300 million**.
- During construction, it is estimated that direct and contractor employment will peak at approximately **1,100 persons**. During operations, direct and contractor employment is estimated to range between **400 and 500 people**. This phase will also generate several thousand additional indirect jobs to support mine operations.

# GOVERNANCE AND ETHICS

## ▶ GOVERNMENT BODIES

GRI 102-18

Bluestone Resources is listed on the Toronto Stock Exchange and is governed by strict corporate governance standards set by the Government of Canada. Bluestone Resources has developed corporate policies, a Board of Directors Charter, and Committee Mandates with the objective of promoting the highest moral, legal and ethical standards within the company.

### **Board of Directors**

Jack Lundin – CEO, President & Director

William Lamb – Chairman

Zara Boldt, CPA, CGA – Director

Jamie Beck, P.Eng., MBA – Director

Dave Dicaire – Director

Leo Hathaway, P. Geo – Director

Bluestone Resources' Board of Directors has a Health, Safety, Environment and Sustainability (HSES) Committee, which meets quarterly to oversee the company's performance, sustainability strategy, and risk management.

At Elevar Resources, the Vice President and Managing Director, Guatemala oversees a team of managers with country and site-level responsibilities for different aspects of sustainability, including a manager for Health and Safety, a manager for Environment and a manager of Social Responsibility. In addition, there is an Executive Committee where senior managers monitor the company's environmental, social, and governance management on a monthly basis.



## ▶ VALUES AND POLICIES

GRI 102-16

We are proud to run a highly ethical company. All our decisions and actions are reflected in our corporate values and policies.

### **VALUES**

#### **WE ARE RESPONSIBLE**

We strive to achieve our goals, and honour our commitments to each other, the community, and the environment.

#### **WE SHOW RESPECT**

We recognize, accept, appreciate and value the qualities and rights of others and the wellbeing of the environment.

#### **WE WORK TOGETHER**

We actively collaborate and build relationships based on trust and shared goals, putting health and safety first.

### **CORPORATE POLICIES**

- Code of Professional Conduct and Ethics
  - Anti-Corruption and Bribery Policy
    - Whistleblower Policy
  - Conflict of Interest Policy
    - Privacy Policy
    - Human Rights Policy
  - Diversity and Inclusion Policy
    - Sustainability Policy

See policies in:

<https://bluestonerresources.ca/about-us/corporate-governance/>



## ▶ TRANSPARENCY AND ANTI-CORRUPTION

### GRI 205

Our values and policies promote accountability for the benefit of all social actors. We are committed to guaranteeing honest and transparent conduct in our business practices and to fighting corruption in our work as a company, aware that this menace generates enormous damage to the economy and society as a whole.

That is why we are constantly reviewing and updating our policies and practices: to ensure that our standards comply both with the applicable regulations in Guatemala and Canada, as well as with our Governance Framework. Every two months, all of our employees receive specific training on this topic, and we maintain open whistleblower channels to report any violations.

### GRI 205-2 LPRM 402 403

**Communication and training:** The Anti-Corruption and Bribery Policy is disseminated to all employees and its compliance is mandatory for all people who engage in relationships with Elevar Resources. During 2021, **100% of employees and contractors** were trained in this policy and its procedures.

**Complaints:** At Elevar Resources, we support and encourage a culture where information flows freely. For this reason, we have a Whistleblower Policy that allows individuals to disclose information about any activity that is considered illegal or that violates Bluestone Resources' policies or values. The Policy provides security to the whistleblower, allowing them to do so anonymously and confidentially, and ensuring that

they are not subject to retaliation. If the facts deserve it, cases may be investigated more quickly by an Audit Committee. An outsourced company, without ties to the company, oversees submitting the complaint to our company's President.



**HOW TO COMPLAIN?**

By telephone call:  
**Canadá: 1-866-921-6714**  
**Guatemala (Spanish): 1-604-922-5953 (reverse charge)**

Or by email to  
**bluestone@integritycounts.ca**

### GRI 205-3

**Corruption cases:** In 2021, there were no complaints or investigations for corruption cases.



## ▶ DUE DILIGENCE

### LPRM 401

To reinforce our commitment to ethics and transparency, we apply procedures and controls to our contractors and suppliers, who are required to know and abide by Bluestone Resources and Elevar Resources corporate policies in the execution of contracts. All of them are obliged to comply with the requirements stipulated in the following contractual annexes:

- Labor Manual aligned with the Labor Code and other labor regulations
- Social and environmental standards of the International Finance Corporation
- Suitability for the job
- Permit to work
- Occupational health and safety regulations
- Up-to-date registration of all workers

It should be noted that **100%** of the contractors are informed of the anti-corruption policy and procedures,

and all of them authorize Elevar Resources to carry out the necessary audits during the term of the contract, in order to ensure compliance with their obligations.

## ▶ FISCAL STRATEGY

### GRI 207

Attention to tax issues has increased and is a priority for the Senior Management and Board of Directors of Elevar Resources. Our tax strategy is based on respect for the jurisdictional laws and guidelines of the country where we operate, fiscal responsibility, tax efficiency, transparency, and risk minimization.

The administrative and financial area is responsible for tax compliance. We apply responsible tax policies and are committed to engaging with the tax authorities, as well as being publicly accountable for the payment of taxes and other obligations.

For this reason, we are promoters, reporters, and participants of:

- **Extractive Industries Transparency Initiative (EITI):** A global standard that promotes open and responsible management of oil, gas, and mineral resources. We contribute to the Initiative by reporting for Guatemala and are a supporter of the EITI through our contributions to the Lundin Foundation.
- **Extractive Sector Transparency Measures Act (ESTMA)** Government of Canada: Seeks to deter corruption in the extractive sector. All companies that are active in Canada must publicly and annually disclose payments made to governments in Canada and abroad.



Every year, the Cerro Blanco Project figures are submitted by Bluestone Resources to comply with Canadian regulation. The 2020 report was submitted in May 2021, and the 2021 report will be submitted on the requested date during 2022.

To demonstrate our commitment to transparency and public accountability of the tax payments we make to the government, we present the breakdown of these payments during 2021:

Tax type	Total 2021 Figures in USD
Own Income Tax	\$ 5,334
VAT Payable	\$ 14
Stamp Tax	\$ 318
Employee Income Tax	\$ 83,132
Third-Party Income Tax and Special Invoices	\$ 166,752
Non-domiciled Withheld Income Taxes	\$ 92,846
Social Security Payments	\$ 386,675
Income Tax on Financial Products	\$ 8,476
Single Tax on Real Estate	\$ 25,477
Vehicle Circulation Tax	\$ 3,369
Withheld VAT Special Invoices	\$ 76,965
VAT on Imports	\$ 13,425
VAT on Land Acquisitions	\$ 1,585,623
<b>Total Payments to the Government</b>	<b>\$ 2,448,406</b>



## OUR PEOPLE

One of the fundamental pillars of Elevar Resources is its people. It is through the richness of our talent that we achieve our purpose as a company and, as such, we invest in people and work hard to enable each one to reach their full potential. We forge a culture of respect and a management style that engages with, listens to, and supports employees while promoting and providing a healthy, productive, and beneficial work environment for all.

We passionately believe that communication and trust are key to the good performance of work teams, the motivation of each of its members, and the sense of belonging to the company. Our goal is to create a challenging environment where people can grow and develop personally and professionally while contributing to the achievement of business objectives.

We want our organizational culture to define us among our employees and other stakeholders, and through our values and actions we demonstrate how we are changing the way mining is done in Guatemala.

## Our workforce composition

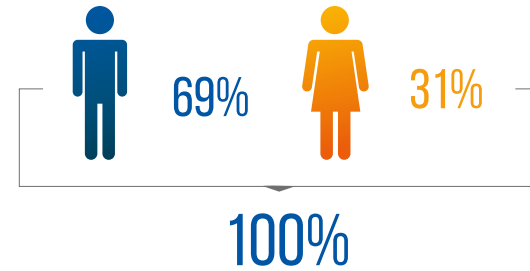
As of December 31, 2021

GRI 102-8  
LPRM 101

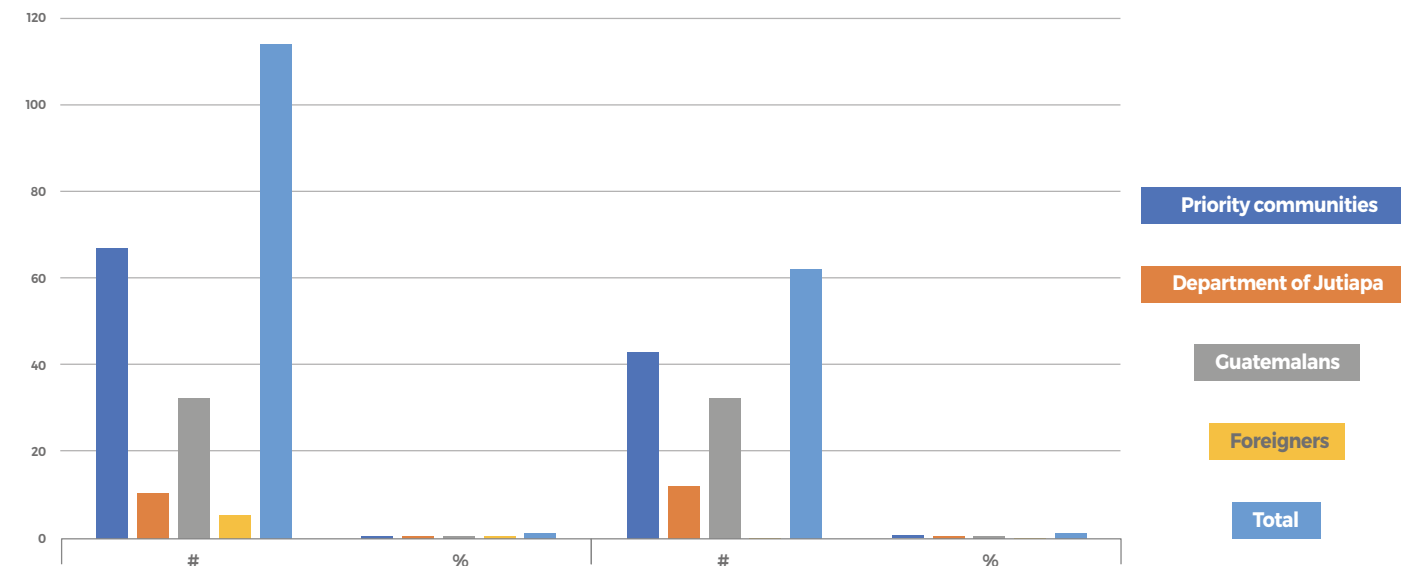
### Number of employees



### Employees with permanent employment contracts



### Personnel by place of origin



## TALENT ATTRACTION AND RETENTION

GRI 401

We are building a diverse and highly qualified team. Our recruitment strategy is focused on providing, maintaining, and retaining competent personnel according to the needs of the company. As a result, we have at our disposal the necessary tools to identify and meet our short, medium, and long-term personnel

needs. It should be noted that we strive to promote internally since once a position becomes available, the first candidates to participate are our own employees.

In accordance with the aforementioned, in 2021 we had **13 new hires** and a turnover rate of **2%**.

GRI 401-1

	New hires	Total 2021
Gender	Male	3
	Female	10
Age	Under 30 years old	4
	30 - 50 years old	7
	Over 50 years old	2
Region	Priority communities	5
	Departmental	0
	Guatemalans	5
	Foreigners	3

	Turnover	Total 2021
Gender	Male	7
	Female	7
Age	Under 30 years old	2
	30 - 50 years old	8
	Over 50 years old	4
Region	Priority communities	0
	Departmental	3
	Guatemalans	7
	Foreigners	4





## ▶ LOCAL EMPLOYMENT

### GRI 401

Local employment is one of our priorities since it contributes to the development of the area of influence and improves our relationship with the communities where we operate. Thus, in addition to our commitment to hiring local personnel, we develop training programs that promote employability and job placement, whether in our company, in another industry, economic sector, or other types of enterprises.

In this direction, we have developed a training program, where there is an area directly related to employment opportunities in the construction and operations stages of the company, giving priority to the communities closest to the project. The registration and selection processes for accessing a training scholarship, which is managed by INTECAP, are clear, transparent, and ensure equal opportunities for all participants.

As of December 31, 2021, Elevar Resources has a total of **114 employees and 62 contractors**, of which **97%** are nationals and **63%** come from the direct and indirect areas of influence of the Cerro Blanco Project.

It should be noted that the construction stage is the stage that requires the largest number of workers and, therefore, the number of jobs could grow significantly during this stage. Once construction is completed, the number of jobs will be reduced and will remain so for the duration of the operation stage.



## ▶ TRAINING AND DEVELOPMENT

### GRI 404

It is of utmost importance for our company to have trained personnel who can perform adequately in this challenging industry. For this reason, in 2021 we had a high level of activity in training and developing our employees. At the end of the year, we completed more than **12 thousand hours of training** in different technical and skills development topics.

### GRI 404-2

Elevar Resources is also advancing training programs at the local level, which aim to advance the skills and competencies of people in the communities that could fill vacancies that become available at the Cerro Blanco Project.

Among the training provided by the company in 2021 is:

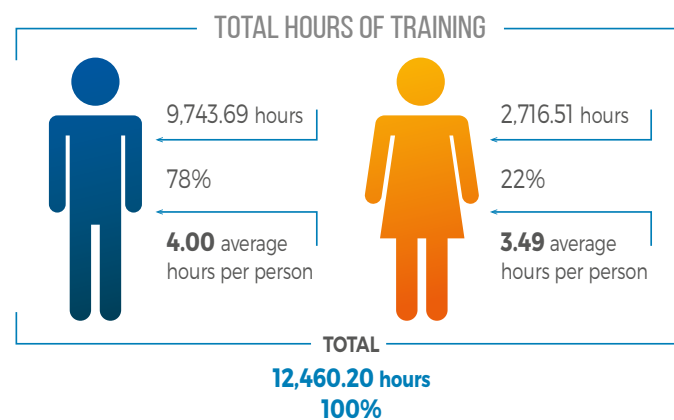
Technical training	Skills development	Corporate policies	Other training
<ul style="list-style-type: none"> <li>• Software administration and management</li> <li>• Energy-saving</li> <li>• Concrete masonry</li> <li>• Lockout and tagout</li> <li>• Emergency brigade certification</li> <li>• GMP in manufacturing and food handling</li> <li>• Industrial safety systems, tools, and equipment</li> <li>• Generator operation</li> <li>• Incident investigation</li> <li>• Defensive driving</li> <li>• COVID-19 preventive measures</li> <li>• Geothermal valves</li> <li>• Working at heights</li> <li>• Handling of hazardous materials</li> </ul>	<ul style="list-style-type: none"> <li>• English language</li> <li>• Personal Development Program</li> <li>• Teamwork and teambuilding</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Professional Conduct and Ethics</li> <li>• Human Rights</li> <li>• Conflict of Interest and Confidentiality</li> <li>• Whistleblower Policy</li> <li>• Anti-Corruption and Bribery Policy</li> <li>• Corporate Values</li> </ul>	<ul style="list-style-type: none"> <li>• Literacy and primary education</li> <li>• Formal high school and diversified education</li> </ul>



In addition, in 2021, the following courses were imparted directly by INTECAP (National Technical Institute of Training and Productivity) of Guatemala:

Discipline	Duration	Participating employees
Concrete masonry	1,293 hours	8
Healthy cooking	66 hours	1

#### GRI 404-1



#### Training rally

In alliance with INTECAP (National Technical Institute of Training and Productivity), we developed an activity where different technical trainings focused on future jobs within the company and for entrepreneurs were featured.

The event lasted three days (November 5, 6 and 7) and was attended by 518 people from our communities in the area of influence and the urban area of Asunción Mita. Of these, 264 people took an entry exam for a program offered by INTECAP. Most of the courses will start in February 2022.



#### Junior Mineralogy Club

In association with Women in Mining (WIM) Central America, we were able to incorporate **44 of our employees' children**, between the ages of 8 and 13, to learn about different minerals. With the participation of several mining companies from all over the continent, bimonthly activities are held where children have the opportunity to learn and interact with experts in the field.

## COMPENSATION AND BENEFITS

In terms of employees' compensation, our main objective is to achieve and maintain internal balance, competitiveness, and performance. To this end, Elevar Resources offers compensation that exceeds the legal labor benefits in Guatemala and has a salary structure based on the International Position Evaluation (IPE). We participate annually in salary surveys conducted by Mercer, a renowned firm specializing in Human Resources.

We also have a benefits program that includes **group medical policy** coverage for employees and their immediate families, and an **annual medical checkup plan, and life insurance**, equivalent to 24 employee salaries. These benefits focus on health and prevention and are **covered 100%** by the company.

- We respect the right to freedom of association and collective bargaining.
- We guarantee the right to equal pay for equal work.
- We condemn all forms of child exploitation, forced labor, or any form of modern slavery.
- We understand and ensure respect for the cultural heritage, rights, and norms of our local communities.
- We identify opportunities to engage the government constructively on human rights issues.

To honor this commitment, which extends to our supply chain and partners, we assess the human rights situation related to our business and project; perform due diligence for contractors and external service providers; and require that human rights terms and conditions and compliance with applicable labor laws are included in contracts.

In addition, as part of our Governance Framework, we constantly communicate our Policy and provide training on human rights and codes of conduct to **100% of our employees and contractors**.

## HUMAN RIGHTS

GRI 412, 407, GRI 410  
LPRM 401

According to our Human Rights Policy, these are fundamental values and an inherent part of ethical business conduct and corporate social responsibility. Our commitment is to respect and promote human rights and labor standards based on the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and implies that as a company:

- We ensure a work culture free of all forms of discrimination and harassment.



## GRI 412-2, 410-1

### Human rights training

In 2021, in addition to training on the policy training, we provided specific human rights training to our personnel:

- Human Rights and Senior Management, with the participation of 11 of our senior and corporate leaders.
- Voluntary Principles on Security and Human Rights, imparted by CENTRARSE, in which 23 middle management employees and **100% of the security team** participated.
- Human Rights Workshop: the construction of a human rights policy with a business approach, with the participation of 2 employees.

## GRI 407-1, 102-41

It should be noted that although Elevar Resources does not currently have a union or collective bargaining, it guarantees this fundamental right and ensures that its operations or supply chain are not at risk. In order to maintain an atmosphere of closeness, resolve conflicts and address employee needs, we maintain open channels and hold general meetings with all personnel every three months.







# HEALTH, SAFETY, AND WELLBEING

## GRI 403

The safety and health of our employees are a top priority for the company. We strive to keep all employees healthy and injury-free and work to assess, mitigate, and minimize the risks associated with mining activities and improve our emergency response.

We believe that health and safety is a shared responsibility for everyone: management, employees, contractors, and subcontractors, and as a company, we have put in place the necessary systems, procedures, equipment, and training to protect people from occupational hazards, ensure that they can perform their work safely and efficiently, and build a culture of safety within the organization.

Our commitment to health and safety includes:

- Compliance with legal requirements related to Industrial Safety and Occupational Health (ISOH).
- Identification and evaluation of risks and hazards. Establishment of operational controls.
- Implementation of a participative and visible safety culture at all levels of the organization.
- Continuous improvement of ISOH performance.
- Always preserving life above any economic or productive interest.

To achieve this, we focus on:

- Maintaining visible leadership, focused on worker safety.
- Ensuring that under no operational circumstances should a worker be exposed to uncontrolled risks that endanger his or her health.
- Implement emergency preparedness and response mechanisms.
- Request from all interested parties a commitment applicable to industrial safety and occupational health that is demonstrated by daily actions.
- Maintain dependable, clear, and timely communication and information with all levels of the organization, including our contractors and communities.
- Apply in a standardized manner the health and safety management system criteria in all our work sites.

## ➤ HEALTH AND SAFETY MANAGEMENT SYSTEM

### GRI 403-1, 403-7, 403-8

This year we began the implementation of a management system based on compliance with Governmental Agreement 229-2014 and its amendments of 2016. This agreement establishes that all companies must have an Industrial Safety and Occupational Health Plan, and comply with the other requirements of the Republic of Guatemala. This plan is the cornerstone of the Elevar Resources' Safety and Occupational Health Management System (SOHMS), and the main tool we

have to establish goals and performance requirements for the project.

One of the main objectives of the SOHMS is to train leaders to implement the safety and health strategy in the project successfully, and to serve as a guide in the allocation of adequate resources for the preparation of our workers.

The SOHMS also provides the foundation for assessing potential risks and planning the necessary measures to mitigate them in a coordinated manner. In addition, we have voluntarily decided to align and structure this process in accordance with the international ISO 45001 standard. The procedures and standards set forth herein are applicable to all work areas, including off-site facilities managed by Elevar Resources. They cover **100% of direct workers, contractors, and subcontractors**.

In 2021, a total of **186 people** were covered by the SOHMS. Of these, 115 were employees of Elevar Resources (61.9%) and 71 were contractors (38.1%).

With the aforementioned numbers and the progress of the SOHMS implementation process, we have paved the way for the development of a positive safety and health culture, which will continue to drive the continuous improvement of our results throughout the development of the project.

Under this framework, we have designed an Industrial Safety and Occupational Health Policy, which establishes that no work can be performed if the risk conditions are not controlled. Thus, we encourage the




worker to start work only when it can be performed safely. We also have an accident investigation procedure that includes the steps for notification, investigation, results, and implementation of corrective actions to prevent the recurrence of the incident.

Since safety is everyone's responsibility, we involve our leaders to make visible the company's commitment to making this issue a priority. Likewise, we encourage all employees to promote health and safety at work and to immediately report any unsafe behavior or condition they observe, in order to minimize its possibility of occurrence.

**GRI 403-2**

SOHMS also lays the groundwork for evaluating potential risks and planning the necessary measures to mitigate them in a coordinated manner. For this purpose, we have a matrix for hazard identification, risk assessment, and controls, which is developed in accordance with Guatemalan Technical Standard 13001. Through the safe work analysis, the risks associated with non-routine and high-risk tasks are evaluated, and work permits are prepared, such as:

 <b>WORK AT HEIGHTS</b>	 <b>CONFINED SPACES</b>
 <b>LOAD LIFTING</b>	 <b>ENERGY INSULATION</b>
 <b>HOT WORK</b>	 <b>EXCAVATIONS</b>

Our 5-point card system is a tool through which the worker answers five safety questions related to order and cleanliness, knowledge, condition of tools, personal protection elements, and health. The card is handed out before the work begins and, if one of the answers does not comply with safety standards, it is corrected immediately. We also apply interaction cards, through which leaders approach workers to improve their safety conditions.

All the above is recorded, documented, and an action-correction plan is drawn up. To strengthen this process, we hired a specialized consulting firm to help us update the hazard matrices with the participation of each worker.

**▶ EMPLOYEE PARTICIPATION AND COMMUNICATION**

**GRI 403-4**

The participation and opinion of our workers are essential to building a solid culture of industrial safety that responds to the challenges involved in the development of the mining project.

We have an Industrial Safety and Occupational Health Committee that follows the stipulations of Governmental Agreement 229-2014, 33-2016, and 23-2017 and the requirements of the Ministry of Labor of Guatemala. This committee is made up of representatives of the company and the workforce. This committee meets monthly to evaluate the results of the activities implemented in the operation, documents meetings, and performed activities.



The main functions of the committee are to:

- Identify hazardous conditions, conduct risk assessments, and propose controls and training to correct specific opportunity areas.
- Conduct periodic inspections in the work areas to strengthen health and safety preventive management.
- Participate in the investigation of incidents, accidents, or occupational diseases.

It is worth mentioning that in the development of the Hazard Identification, Risk Assessment, and Controls matrix, workers from each of the processes or areas participated, and their contributions were significant for the intervention and generation of action plans for risk reduction.



Open communication is a fundamental aspect of Elevar Resources. In 2021 the **WE LISTEN TO YOU line** was born, created to encourage communication between workers and the company. This is an open participation channel, which includes occupational health and safety issues. In the future, we are physically contemplating the participation of personnel, i.e., through a mailbox and cards.



## ➤ OCCUPATIONAL HEALTH SERVICES

### GRI 403-3

During 2021, we continued to motivate our employees to lead a healthy lifestyle. To this end, we invite them to participate in periodic medical examinations that aim to provide timely diagnoses and personalized plans to prevent health risks. For these exams we achieved **95% employee participation**.

Likewise, we implement routines consisting of warm-up and stretching exercises prior to the start of operational activities in order to promote physical wellbeing and make it a priority in the lives of our workers.

### GRI 403-6

#### Medical services

We provide general basic, emergency, and urgent medical care to **100% of our employees**. To offer a higher quality of service, during 2021:

- We hired three nursing assistants, one per shift.
- We purchased biomedical equipment to treat two patients with major complications simultaneously.
- We advanced routine controls for diseases of common or possibly occupational origin.
- We intervene in the risk factors of non-contagious, chronic diseases; mainly high blood pressure and diabetes.
- We facilitated a COVID-19 vaccination campaign.
- We purchased a life and medical insurance policy for employees and their families that covers outpatient medical care, accidents and emergencies, medications, laboratory tests, and other diagnostic tests.



## ➤ COVID-19 Management

During 2021, we continued to strengthen measures against the spread of the COVID-19 virus, increasing the training of our employees so that they acquire greater knowledge and awareness of the different risk situations that may arise in the workplace.

We have biosafety protocols and controls in place to minimize the risk of contagion within our facilities, such as: temperature and symptom control at the entrance and exit of the project; disinfection of common areas, offices, and vehicles; and capacity calculations for training rooms, meeting rooms, dining room, and other common areas. In accordance with governmental agreement 79-2020 of the Guatemalan Ministry of Labor and Social Welfare, we provide disinfection and surface cleaning supplies throughout the project, and we have a specific protocol for contractors and visitors, which is reinforced by the signing of the latter's health declaration.

During 2021 we facilitated COVID-19 vaccination for our employees where **99% of staff participated**.

## ➤ OSH Training

### GRI 403-5

During 2021 our workers received internal and external training for different industrial safety and occupational health topics. Internally, Elevar Resources provided 30 minutes per week for training on specific topics or high-risk tasks performed in the organization, such as: working at heights, hot work, confined spaces, lifting loads, handling chemicals, safe driving, mowing, order and cleanliness, energy control, among others. These trainings covered more than **95% of the employees**.

On the other hand, the company identified the need to strengthen personnel training in certain topics, so, with the support of third parties, it provided specialized training, achieving the first external certifications for employees. These were:

- Comprehensive first aid course with international certification for 11 of our brigadiers.
- Training and certification of **18 brigade** members in work and rescue at heights.
- Accident investigation training for 11 employees in different positions.

Considering that one of the main risks of our operation is the driving of vehicles, the company has established a series of requirements for drivers, including the following:

1. Verification of driver's license
2. Defensive driving course
3. Driving test

It is worth mentioning that the training process was designed to involve all employees with leadership tasks in the operational and administrative areas of the organization.

## ➤ OSH Performance

### GRI 403-9, 403-10

We are proud to report that, thanks to our efforts to preserve people's health and safety, there were no lost-time work incidents during 2021. During the year, there were **seven accidents** classified as first aid, in which daily work did not have to be suspended.

According to the annual statistics, the Cerro Blanco Project accumulated **522,797 working hours** with no lost time events. There were also no illnesses or ailments resulting from work activities during the reporting period.

	Total 2021
Fatalities resulting from an industrial accident injury	0
Work-related injuries with major consequences	0
Recordable occupational injuries	0
Worked hours*	<b>522,797</b>
Deaths resulting from an occupational disease or illness	0
Cases of recordable occupational diseases and illnesses	0

\*Rates calculated per 200,000 worked hours.

In all matters related to occupational health and safety, the figures apply to direct workers, contractors, and subcontractors. No workers have been excluded from the calculation.

**We believe that achieving zero incidents is a duty and a responsibility that requires everyone's commitment, and 2021 is a testimony to our efforts to achieve it.**





# ENVIRONMENTAL MANAGEMENT

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GRI 303, 304, 305, 306, 307

For Elevar Resources, environmental impact management is essential to the business. Not only because it represents one of the most recurrent concerns of our stakeholders, but also because it is part of our vision, values, and corporate policies. We are committed to operating sustainably and keeping our environmental footprint as small as possible. This includes efficient use and care of water, soil and biodiversity protection, air quality monitoring, and proper waste disposal.

Our Environmental Management Plan seeks to avoid and mitigate potential impacts in the areas surrounding the Cerro Blanco Project. It is aligned and complies with national legislation and international standards such as the IFC Performance Standards on Environmental and Social Sustainability, the World Bank Group (WBG) General Guidelines on Environment, Health and Safety (EHS- 2007), and the WBG Guidelines for Environment, Health and Safety - Mining Sector (2007).

In addition, we seek to promote an environmental culture and awareness among our employees, contractors, and communities through our Environmental Education Program. In this way, we seek to extend our commitment to our value chain and area of influences.



## WATER

### GRI 303

At Elevar Resources we value water and its great importance as a resource for the community and for the operation. That is why we invest time and effort in making efficient use of hydric resources and preventing contamination of water sources.

Water quality monitoring has been conducted at the project for more than 15 years. In addition to complying with government regulations, we have an extensive monitoring program to ensure that water quality meets and sometimes exceeds required standards. All water used at the site is sent to our treatment plant, where it is filtered to meet national cleanliness and safety standards before being discharged. We also work with local organizations to independently monitor and verify water quality.

### GRI 303-3

In 2021, the total water used at the Cerro Blanco Project was **617,259 m<sup>3</sup>**.

WATER USE	TOTAL 2021
Surface water	-
Groundwater	617,259 m <sup>3</sup>
Marine water	-
Produced water	-
Third-party water	81 m <sup>3</sup>
<b>Total water use</b>	<b>617,340 m<sup>3</sup></b>

BREAKDOWN OF TOTAL WATER USE	
Fresh water (total dissolved solids ≤ 1000 mg/l)	81 m <sup>3</sup>
Other waters (total dissolved solids > 1000 mg/l)	617,259 m <sup>3</sup>

### GRI 303-4

The total water discharged in 2021 was **513,404 m<sup>3</sup>**. This was discharged into the El Tempisque Creek.

WATER DISCHARGE	TOTAL 2021
Surface water	513,404 m <sup>3</sup>
Groundwater	-
Marine water	-
Produced water	-
Third-party water	-
<b>Total water discharge</b>	<b>513,404 m<sup>3</sup></b>

BREAKDOWN OF TOTAL WATER DISCHARGE	
Fresh water (total dissolved solids ≤ 1000 mg/l)	-
Other waters (total dissolved solids > 1000 mg/l)	513,404 m <sup>3</sup>

Currently, the water quality criteria for discharge to receiving bodies are stipulated in Agreement 236-2006, related to quality, the approved Environmental Impact Assessment Permit and the Technical Water Study. Once we reach the operation phase, additional criteria may be included, such as the IFC guidelines for mining effluents, and the International Cyanide Code effluent guidelines and standards.

### GRI 303-5

Total water consumption at Cerro Blanco during 2021 was 103,940 m<sup>3</sup>, almost all in evaporation. It should be noted that we do not consume water from areas considered of hydric stress.

WATER CONSUMPTION 2021	
<b>Total water consumption</b>	<b>103,936 m<sup>3</sup></b>

## LICENSING AND PERMITS

### GRI 307-1

The Cerro Blanco Project has the necessary environmental licenses and permits from the Guatemalan Ministry of Environment and Natural Resources. It also has a forestry license to carry out forest management plans and activities. During 2021, the project **did not receive any environmental fines** or non-monetary sanctions from the authorities.

## BIODIVERSITY

### GRI 304

As part of our commitment to conserve local biodiversity and the adjacent ecosystem, we are developing and implementing the Flora and Fauna Rescue Plan and the Biodiversity Conservation Plan, even though we do not expect to generate impacts in these areas. We carry out monitoring and management on this front through:

- Annual biological sampling of aquatic and terrestrial biodiversity.
- Environmental monitoring programs.
- Environmental education for employees, communities, and contractors.
- Reforestation with native species and donations of seedlings.
- Forest fire control and prevention.





The project site has two conservation areas that we continuously monitor and, as of December 2021, we have disturbed **15 hectares** of land for road widening that are not yet rehabilitated. We have also identified **81 different species** of flora and fauna within the project's area. We are committed to their rescue, conservation, and relocation, in compliance with our environmental permit licensing requirements, and international standards.

### Voluntary reforestation

Through our Voluntary Reforestation Program, we have donated more than **150,000 trees** of dry forest species to reforest an area of 15 hectares in support of the National Forest Institute (INAB).

We have reforested an area measuring one hectare through the Sembrando Huella Program, which involves school children and the community authorities of the San Juan Las Minas Village while working hard on a communication component on the subject to generate greater environmental awareness.



### GRI 304-4

According to the International Union for Conservation of Nature (IUCN)'s Red List and national conservation lists, the species whose habitats are found in the areas affected by our operation, by risk level, are:

IUCN RED LIST SPECIES		
i. critically endangered	0	
ii. endangered	3	<ul style="list-style-type: none"> <li>• <i>Swietenia humilis</i>, Mahogany</li> <li>• <i>Capsicum lanceolatum</i>, Chile gallina</li> <li>• <i>Ctenosaura palearis</i>, Spiny Iguana</li> </ul>
iii. vulnerable	0	
iv. near threatened	0	
v. least concern	176	

There were three IUCN-endangered species found during the reporting period: two fauna species and one herpetofauna (amphibians and reptiles). It should also be clarified that these species are found at the vicinity of the project, at the network of monitoring points outside the facilities.

When mine operations are completed, the company will focus its efforts on the closure, decommissioning, and rehabilitation of the land where the mine is located. This process includes initiatives to reclaim work areas, reforestation, and repopulation with local species of flora and fauna.

### BIOLOGICAL MONITORING PROGRAM

#### GRI 304

Our Environmental Department has launched the Biological Monitoring Program, which seeks to monitor the local fauna through images and footage obtained through a network of special cameras that were strategically placed.

This technology has captured images of the Coyote (*Canis latrans*) and Jaguarundi (*Puma Jaguarundi*), the two apex predators of the ecosystem. Skunks, gray foxes, porcupines, squirrels, weasels, turtles, iguanas, snakes, and other species that inhabit the dry forest have also been recorded.

Another component of the program is bird watching. Throughout the year 2021, 100 species of birds have been sighted and documented including migratory and resident birds by using visual tracking and sound tracking (songs and calls). This has made it possible to obtain a database with high-resolution images for the monitoring, analysis, and management of biodiversity at the project's protection areas.









## ▶ ENERGY AND EMISSIONS

### GRI 305

The scope of our environmental monitoring efforts extends to emissions in order to keep our operation within legal parameters and to respond to our stakeholders' concerns regarding pollution-related issues. To this end, we have developed an online environmental monitoring system that allows us to track environmental variables (air quality, noise, and vibrations) in order to make operational decisions.

All monitoring results that correspond to our Environmental Management Plan are shared with the authorities. In addition to the 12 water monitoring stations, there are six air quality stations and six noise measurement stations, which are also monitored independently by the Regional Environmental Monitoring and Protection Association (AMAR) every six months.

### REAL-TIME MONITORING NETWORK

We have implemented a real-time monitoring network to analyze the different air quality variables (suspended particulate matter PM10 and PM2.5), noise levels, vibrations, water discharge flow, and meteorological conditions. On December 2021 **five live online stations** were installed in the vicinity of the project at the Cerro Blanco, Trapiche Vargas, and La Lima communities.

The data is analyzed with the AmbiensQ software, where values are interpreted, early warnings are created on variations in values, and peaks and their origin are checked. This system ensures that project operations are within the permitted limits for air quality, noise, vibrations from traffic, and other routine activities within the area. These readings are important since they will serve as reference points during blasting operations.

The multivariable analysis of the real-time systems also allows for correlating meteorological conditions with air quality and noise values to determine the causes of droughts or storms that may affect the area's environment. The network uses a solar-powered data telemetry system and data backup systems which provide operational autonomy and quality assurance of results.



### GRI 302-1

Our energy consumption in 2021 was **45,714,969 megajoules**. It should be clarified that this figure corresponds to electricity consumption and that the company does not currently consume fuels from renewable sources.

ENERGY CONSUMPTION 2021	
Consumption of fuels from non-renewable sources (diesel)	45,714,969 MJ

\*1 Gallon Diesel equals 146.52 MJ

### GRI 305-1

Our direct greenhouse gas (GHG) emissions in 2021 were **4,967 tons of CO<sub>2</sub> e**, compared to 6,340 tons in 2020; the base year was chosen because of the status of the project. The gases included in the calculation correspond to CO<sub>2</sub>, methane, N<sub>2</sub>O, HFCs, PFCs, and SF<sub>6</sub>. It should be noted that we do not generate emissions of ozone-depleting substances (ODS).

DIRECT GHG EMISSIONS - SCOPE 1	
Gross value of direct GHG emissions (Scope 1)	4967 t CO <sub>2</sub> e
Emissions in base year	6340 t CO <sub>2</sub> e

The 21% reduction in emissions obtained during the period is due to changes in new, more efficient generators and some advances in the operation derived from the change in the mining method were halted.

**GHG emissions Scope 2:** Scope 2 GHG emissions were not included in the 2021 fiscal year because the Cerro

Blanco Project currently has no energy consumption from external sources. During construction power will be supplied from the national grid.

## ▶ RESIDUES

### GRI 306-1, 306-2

In addition to monitoring water quality, we have waste management plans to ensure proper disposal of ferric salts, chlorine gas, liquid chlorine, hydraulic oils, motor oils, rags, and tow contaminated with hydrocarbons, gasoline, motor oil filters, hydraulic oil filters, dielectric and diesel oil impacted with drilling polymers.

Among the processes, we carry out to check residues are the location of **10 residue classification stations** in project areas, a collection area in charge of a third party (EMG), and the final disposal of hazardous and common residues by the company Ecoreprocesos, which has permits and licenses in place and implements incineration, recycling, and landfill processes. Our contractors keep a record of the final weights differentiated by residue and a consolidated total of the materials with their respective final disposal management.

### GRI 306-3

During 2021, **27.58 tons** of hazardous waste and **242.82 tons** of non-hazardous waste were destined to be disposed of. This value shows an increase associated with the COVID-19 health emergency given the increased use of disposable products. It should be noted that **297.98 tons** were treated outside the mining project facilities.





RESIDUES FOR DISPOSAL 2021	
<b>Total weight of hazardous residues destined for disposal and breakdown according to disposal methods:</b>	<b>27.58 t</b>
incineration (with energy recovery)	-
incineration (without energy recovery)	27.58 t
transfer to landfill	-
other disposal operations	-
<b>Total weight of non-hazardous residues destined for disposal and breakdown by disposal method:</b>	<b>242.82 t</b>
incineration (with energy recovery)	-
incineration (without energy recovery)	6.42 t
transfer to landfill	38.56 t
other disposal operations	197.84 t



# COMMUNITY ENGAGEMENT AND LOCAL DEVELOPMENT

## GRI 413

At the Cerro Blanco Project in Asunción Mita, Jutiapa, we promote relationships based on communication and trust with communities and institutions in the area of influence. As an actor in the community, we are aware that we have impacts and that we must manage them with the participation of our neighbors. We also recognize that part of our role is to contribute to raising their levels of development, which is why we dedicate significant efforts to social and income-generating programs.

## ▶ COMMUNITY ENGAGEMENT

### GRI 413-1

Our Community Relations Plan integrates the socialization of the progress of the mining project and social investment programs, which allows us to have constant, coordinated, and two-way communication with community stakeholders. We also have a grievance mechanism to address any complaints related to our operation.



For the design and implementation of social projects, we started with the characterization of the population resulting from the social baseline study, which yielded an accurate diagnosis of our influence zone: the villages of Cerro Blanco, San Rafael Cerro Blanco, El Cerrón, La Lima, El Tule, Trapiche Vargas, Las Ánimas, and part of the urban area of Asunción Mita. The information gathered in this study allows us to direct the project to improve the conditions of these communities when we begin our relationship with them, and to have a positive impact on municipal development indicators. We are also implementing a monitoring system that will allow us to measure the progress or social changes achieved through our programs.

## ► COMPLAINTS HANDLING

In 2021, we modified our complaints procedure to make it more agile and accessible to stakeholders. In this way, the number of reception channels was increased to four and the management of anonymous complaints was facilitated. Although Elevar Resources permanently disseminates this system in meetings with local community organizations, with the Community Councils for Urban and Rural Development (COCODE), visits to the project, and different communications to stakeholders, on this occasion we carried out a campaign to socialize the mechanism and its scope to **426 neighbors and suppliers** in the area of influence.

In order to have traceability and provide timely management of complaints, we keep a record of these in the StakeTracker software. During 2021, we received **22 complaints**, which were **closed in their entirety** within an average of **15 working days**.

## ► GETTING TO KNOW THE CERRO BLANCO PROJECT

### GRI 413-2

Between November 19 and 21, 2021, we held an event open to neighboring communities, residents of the area of influence, and other interested parties, with the purpose of presenting and explaining the Cerro Blanco project. Visitors had the opportunity to learn in detail about the site characteristics, the change of mining method, the social and environmental impacts that could eventually occur and the management measures to prevent, mitigate, or compensate for them.

The activity was attended by **516 people**. In order to ensure effective citizen participation, Elevar Resources made the following tools available to interested parties:

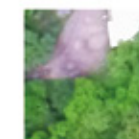
- Information and promotion of the event, to reach local residents and ensure the widest possible dissemination.
- Transportation from various locations in and around the municipality.
- General content with different didactic methodologies, such as videos and a model with the specifications of the construction, operation, and closure phases.
- Eight stations explaining the project cycle and the respective environmental aspects.

There was also a space for attendees to ask questions and make comments regarding the mining project, which were answered by a group of multidisciplinary experts from the consulting firm that carried out the update of the 2021 Environmental Impact Study.

## ► GUIDED VISITS TO THE MINE

To strengthen the relationship with our stakeholders, we conduct guided visits to the mining project, during which we tour the site's facilities, explaining its status and progress in technical, environmental, social, and human resources management. All of the above are in strict compliance with industrial safety and COVID-19 infection prevention protocols.

During 2021, we conducted **34 visits**, with a total of **291 participants**, key stakeholders belonging to communities and public and private entities.





## ➤ SOCIAL INVESTMENT AND DEVELOPMENT PROGRAMS

Our social investment programs seek to be sustainable in the long term, which means that they must last longer than the life of the mining project and form part of our legacy to the community. These are framed in the following areas:

SOCIAL INVESTMENT	
Strategic focus	Transversal focus
<ul style="list-style-type: none"> <li>• Social and economic development</li> <li>• Education and local culture</li> <li>• Community infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Attention to citizens and local relations</li> <li>• Inter-institutional strengthening and alliances for development</li> </ul>

*In 2021, Elevar Resources made social investments of **US\$ 897,151**, equivalent to **Q 6,996,990**, distributed in different development programs.*

The execution of plans and programs is performed with the support of strategic allies such as the Lundin Foundation, cooperation agencies, and governmental and local entities. The programs implemented during 2021 were as follows:

### Communities in Development Program

**Local governance:** Within this component, COCODEs are trained in the identification of their needs for the formulation of the Strategic Framework of the Integrated Community Development Plan - ICDP. In the phase conducted in 2021, **34 COCODE members** and community leaders participated, of which 9 were women and 25 were men. This tool is intended to enable the communities to manage the inclusion of the needs identified, both in local and

central government programs, as well as other actors involved in the local dynamics.

**Women's empowerment:** In this second component, **244 women** from the communities of Cerro Blanco, San Rafael Cerro Blanco, San Benito La Bomba, El Cerrón, La Lima, Trapiche Vargas, and Las Ánimas were trained in self-esteem, hygiene, disease prevention at home and in the community, and in the importance of caring for and monitoring children. This program has a special emphasis on women of reproductive age so that in the second phase of the project they can exercise their leadership and promote preventive health.

### Medical days

In partnership with Catarineca Fraternity, Elevar Resources provided care to the communities in general medicine, pediatrics, and dentistry, and delivered free medicines according to medical recommendations. The year 2021 closed with a total of **10 medical days** and **1,640 people** attended, including the elderly, women, children, and people with special abilities.

The patients belong to El Tule and La Lima (85), Trapiche Vargas (249), Cerro Blanco (185), San Rafael Cerro Blanco (154), Las Ánimas (171), El Cerrón (180), San Benito La Bomba (108), Caserío El Guayabo (101), Colonia Nueva Esperanza (266) and Barrio 2 de Abril (141).

### Agricultural program

During May and June 2021, the company donated fertilizer and agricultural supplies to **570 farmers** in the communities of the Cerro Blanco Project's area of influence and established agriculture as a line of economic diversification to strengthen local producers.

### Technical training courses

In partnership with INTECAP, the company made technical training courses available to the communities to expand the skills and capabilities of the local population. The offer included courses in masonry, electricity, welding, carpentry, electronics, and industrial maintenance. There was also training for enterprises such as cooking, clothing manufacturing, and agriculture. A total of **600 places** were available.

The technical training offer was also socialized in communities in the municipality's area of influence and urban area, through a training rally, which reached **344 people** enrolled. After the admission exams, 238 candidates are pre-registered to start their course in the 2022 cycle.

### Adult education program

According to data from the Social Baseline 2021, 20% of the population in the area of influence is illiterate and the literate population reaches an average schooling level of 8.5 years. With this in mind, Elevar Resources established an inter-institutional strategic alliance to implement the National Alternative Education Program (PRONEA) in the communities neighboring the operation. PRONEA is a formal program of the Ministry of Education for the non-school age population, which allows adults to complete primary, basic, and high school levels.

Elevar Resources contracted personalized tutoring services to accompany and guide the people enrolled in the training process. As a result, the education authority, which previously did not reach these communities, was supported. In total, 151 students from six communities benefited from this program, and 2,616 hours of training were provided.

COMMUNITY	HOURS PER COMMUNITY	NUMBER OF STUDENTS
Cerro Blanco	504	26
El Tule y La Lima	488	33
San Rafael Cerro Blanco	520	27
Trapiche Vargas	560	32
Las Ánimas	544	33
<b>Total</b>	<b>2,616</b>	<b>151</b>

### Community infrastructure

In order to improve people's quality of life, facilitate access to products and services, communication and care for the environment, Elevar Resources formed alliances with the Road Maintenance Executing Unit of the Ministry of Communications and Public Works (COVIAL), the Municipality of Asunción Mita and Community Development Councils to coordinate the community infrastructure plan, investing in 15 works that will benefit the inhabitants of the area of influence:

WORKS	COMMUNITIES	BENEFICIARIES
Road repairs	3 roads 4.6 Km total El Tablón San Bartolo (1,9 km) El Cerrón (1,2 km) Buenos Aires Las Crucitas (1,5 km)	1,526 persons
Paving	4 roads Trapiche Vargas (500 m) San Rafael Cerro Blanco (200 m) Casco Urbano (228 m)	3,526 persons
School improvements	2 schools Colonia Nueva Esperanza (aula) San Benito La Bomba (baño)	172 students
Adequacy of shelters	Supplement delivery Colonia Nueva Esperanza	2 shelters
Basic sanitation - water system	Piped water supply Las Ánimas, San Rafael Cerro Blanco, Cerro Blanco	765 persons
	Community water system La Lima Hamlet	
	Drainage system Las Ánimas y La Lima	
Access to water	Donation of water tank El Cerrón school	
Irrigation system	Support for 65 farmers El Tule	

### Municipal Vaccination Days against COVID-19

*The COVID-19 Committee, formed by the Municipality of Asunción Mita, the Center for Integral Maternal and Infant Care (CAIMI), the Educational Supervision of Asunción Mita, the Union Organization for the Service of Teachers and the People of Guatemala (STEG), and Elevar Resources, developed vaccination days against COVID-19 to curb the pandemic and promote public health in the municipality.*

*With this initiative, the vaccine was decentralized and the population was transported to the nearest vaccination points. In addition to the coordination, the company supported the transportation of people and biosecurity supplies in the 18 days conducted in the course of 2021.*

*The year closed with a total of **3,927 neighbors** vaccinated with first and second-dose schemes. This inter-institutional alliance allowed the municipality to approach the immunization goal.*



## ▶ LOCAL INCOME GENERATION

GRI 204

LPRM 201, 203, 301

Elevar Resources is committed to procuring local supplies and services as long as they are available for the operation's requirements. We give priority to local entrepreneurs and businesses within the Cerro Blanco Project's direct area of influence, as long as they meet local procurement standards.

Our Local Procurement Policy (LPP) seeks to catalyze long-term economic development through local business growth and employment benefits in our neighboring communities, in alignment with local development priorities. This policy applies to all operations and contractors, subsidiaries, and activities, regardless of the stage of the life cycle of the projects and the value of the activities to be contracted.

To maximize local value creation, we apply the following level of decreasing priority in sourcing:

- Community enterprise or association, owned and operated by nationals and/or residents.
- International supplier, forming a joint venture with a company or community association owned by nationals and/or residents.
- International supplier, with an agency agreement with a company or community association owned by nationals and/or residents.
- International supplier, registered in Guatemala.

### LPRM 507

In order to promote employment and labor benefits in neighboring communities, we give priority to local businesses that involve a significant number of residents as a proportion of the total number of employees included in the contract. Additionally, to promote inclusion, we prefer local businesses that are women-owned or involve vulnerable populations or other historically marginalized groups.

#### Local Procurement Reporting Mechanism - LPRM

As part of our commitment to local development, at Elevar Resources we are initiating the implementation of the Local Procurement Reporting Mechanism (LPRM), a Mining Shared Value initiative of Engineers Without Borders Canada, which seeks to standardize how the mining industry and host countries evaluate and refer to local purchases of goods and services.

Thanks to the support of the Lundin Foundation, we are aligning our internal management to LPRM and reporting in this Report on our progress in this regard, intending to promote local revenue generation, provide practical information that helps suppliers, governments, and communities to collaborate with the mining site, and avoiding corrupt practices in procurement processes.

For more information:  
<https://miningsharedvalue.org/mininglprm/>

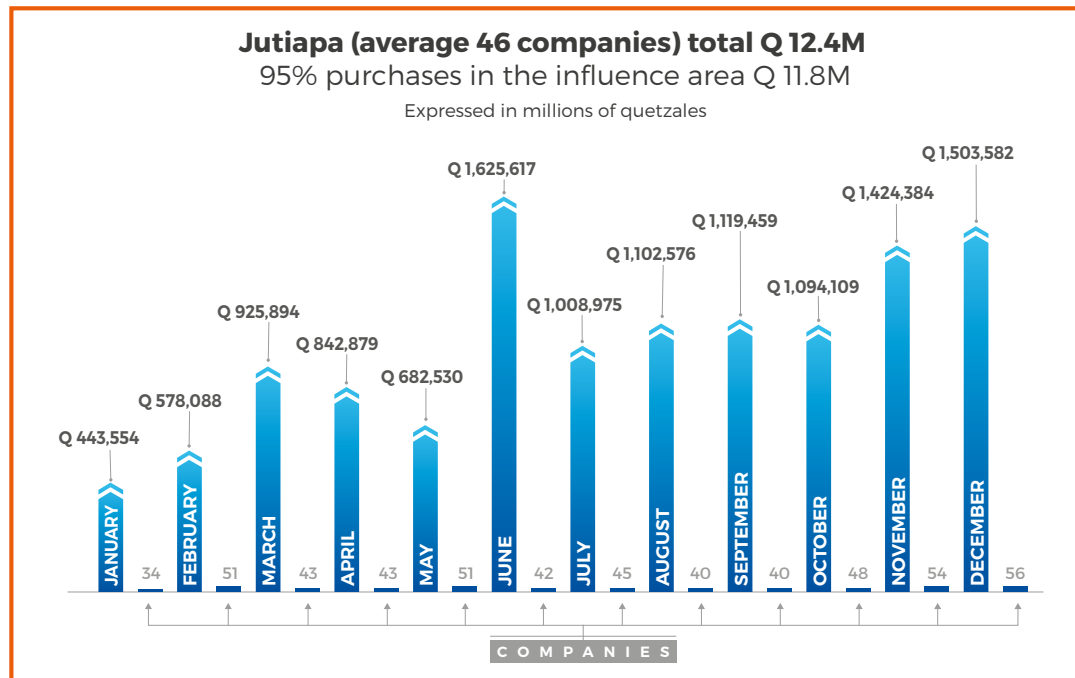
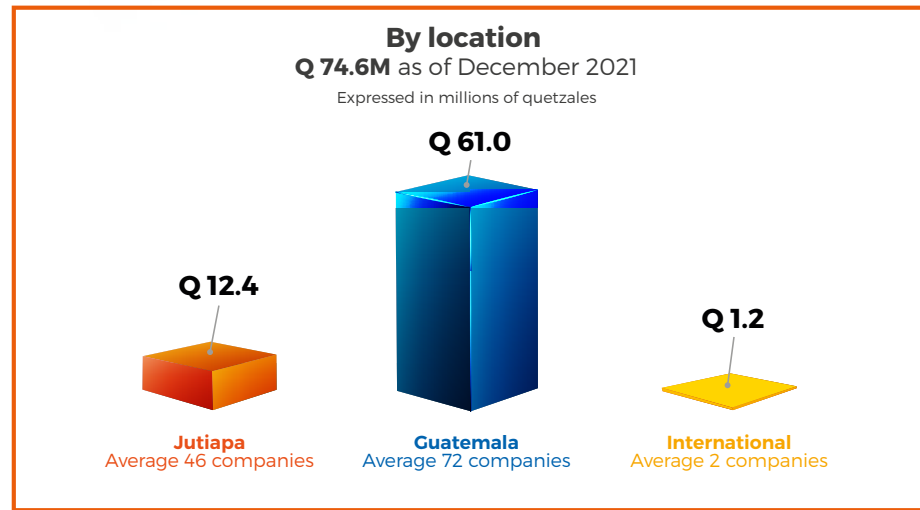


GRI 204-1

In 2021, Elevar Resources made purchases totaling **Q74.6 million**, of which Q 61 million (81.7%) corresponded to businesses in Guatemala and **Q 12.4 million (16.6%) to companies in Jutiapa**. Of the latter, **Q 11.8 million (95%)** were made in the area of influence of the Cerro Blanco Project.

LPRM 302

**Distribution of purchases**



LPRM 204D

**Local Supplier Development Program**

**NEXO** is the capacity-building program created by the Lundin Foundation and Elevar Resources. It aims to support local companies and entrepreneurs to become more competitive and reach the standards required to participate in mining project bidding processes. By promoting their development, the program gives them the possibility to access new markets, and grow and diversify their businesses.

Specifically, the program focuses on:

- Identifying the main opportunities for improvement within the companies in terms of their business model and alignment with local norms and standards required by the Elevar Resources Supply Area.
- Provide tailored technical assistance to support the process of closing the identified gaps.
- To invigorate the local economy by taking local organizations to a higher level in the development of their businesses.

During 2021 we worked on a pilot plan specifically designed so that, through interaction with a

small group of local entrepreneurs, a first NEXO implementation exercise could be carried out.

**The six participating companies** were selected according to an exercise in which the most urgent economic sectors were prioritized for the construction stage, i.e. the next phase of the mining project. The categories chosen were: Medical Services, Construction, Uniforms, Cargo Transportation, Signaling, Water Pipe Rental, and Personnel Transportation.

The selected companies had to be characterized by representing groups of interested populations, particularly those in vulnerable conditions; having the investment capacity required to grow at the organization's demand, and having the potential for a direct positive economic impact on the local community.

The pilot was successfully implemented during the last quarter of the year and left great learnings for the deployment of the program during 2022.



**GRI  
CONTENT INDEX**

**GRI 102:  
General  
Disclosures  
2016**

GENERAL DISCLOSURES			
GRI Standard	Disclosure	Page number / URL	Omission
<b>Organizational profile</b>			
102-1	Name of the organization	5	
102-2	Activities, brands, products, and services	6	
102-3	Location of headquarters	Elevar Resources main offices are located at: Diagonal 6 12-42 zona 10, Edificio Design Center, Torre 1 / Nivel 11 / Oficina 1102 - Guatemala City	
102-4	Location of operations	6	
102-5	Ownership and legal form	As of December 31, 2021, the main shareholders of Elevar Resources are: 35% - Institutions 27% - Lundin family 21% - Retail 11% - CD Capital 4% - Administration 2% - Newmont	
102-6	Markets served	6	
102-7	Scale of the organization	7	
102-8	Information on employees and other workers	24	
102-9	Supply chain	8	
102-10	Significant changes to the organization and its supply chain	6	
102-11	Precautionary Principle or approach	13	
102-12	External initiatives	9	
102-13	Membership of associations	9	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	2	
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	6, 19	
<b>Governance</b>			
102-18	Governance structure	18	
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	14	
102-41	Collective bargaining agreements	30	
102-42	Identifying and selecting stakeholders	14	
102-43	Approach to stakeholder engagement	14	
102-44	Key topics and concerns raised	14	
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	This Report includes information from Elevar Resources and the results of the management of the Cerro Blanco Project in Guatemala.	
102-46	Defining report content and topic Boundaries	1, 15	
102-47	List of material topics	16	
102-48	Restatements of information	No restatements of information are presented in this Report.	
102-49	Changes in reporting	This is the second Sustainability Report of Elevar Resources, but the first prepared in accordance with the GRI Standards.	
102-50	Reporting period	1	
102-51	Date of most recent report	January 2021	
102-52	Reporting cycle	1	
102-53	Contact point for questions regarding the report	1	
102-54	Claims of reporting in accordance with the GRI Standards	1	
102-55	GRI content index	58	
102-56	External assurance	This Report is not subject to an external verification process.	

**GRI  
CONTENT INDEX**

TOPIC-SPECIFIC STANDARDS			
GRI Standard	Disclosure	Page number / URL	Omission
<b>Economic Performance</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its Boundaries	17
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	17
<b>Procurement Practices</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its Boundaries	55
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers	56
<b>Anti-corruption</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its Boundaries	20
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
<b>GRI 205: Anti-corruption 2016</b>	205-2	Communication and training about anti-corruption policies and procedures	20
	205-3	Confirmed incidents of corruption and actions taken	20
<b>Tax</b>			
<b>GRI 103: Management Approach 2019</b>	207-1	Approach to tax	21
	207-2	Tax governance, control, and risk management	
	207-3	Stakeholder engagement and management of concerns related to tax	
<b>GRI 207: Tax 2019</b>	207-4	Country-by-country reporting	Elevar Resources presents its financial and fiscal reports in Canada, under the regulation of that country, considering standards such as EITI and ESTMA.
<b>Energy</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its Boundaries	Elevar Resources does not currently have a management approach for energy. It only monitors energy consumption within the organization associated with electricity generated with diesel.
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organization	47
<b>Water and Effluents</b>			
<b>GRI 103: Management Approach 2018</b>	103-1	Explanation of the material topic and its Boundaries	39, 40
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
<b>GRI 303: Water and Effluents 2018</b>	303-3	Water withdrawal	40
	303-4	Water discharge	40
	303-5	Water consumption	41
<b>Biodiversity</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its Boundaries	39, 43
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
<b>GRI 304: Biodiversity 2016</b>	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	42
<b>Emissions</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its Boundaries	39, 46
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions	47
<b>Waste</b>			
<b>GRI 103: Management Approach 2020</b>	306-1	Waste generation and significant waste-related impacts	39, 47
	306-2	Management of significant wasterelated impacts	
<b>GRI 306: Waste 2020</b>	306-3	Waste generated	47



## GRI CONTENT INDEX

GRI Standard	Disclosure	Page number / URL	Omission
<b>Environmental Compliance</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	39	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	41	
<b>Employment</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	25, 26	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	25	
<b>Occupational Health and Safety</b>			
GRI 103: Management Approach 2018	403-1 Occupational health and safety management system	33	
	403-2 Hazard identification, risk assessment, and incident investigation	34	
	403-3 Occupational health services	36	
	403-4 Worker participation, consultation, and communication on occupational health and safety	34	
	403-5 Worker training on occupational health and safety	37	
	403-6 Promotion of worker health	36	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	33	
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	33	
	403-9 Work-related injuries	37	
	403-10 Work-related ill health	37	
<b>Training and Education</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	27	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	28	
	404-2 Programs for upgrading employee skills and transition assistance programs	27	
<b>Freedom of Association and Collective Bargaining</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	29	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	30	
<b>Security Practices</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	29	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	30	
<b>Human Rights Assessment</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	29	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	30	
<b>Local Communities</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	49, 50	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	49	
	413-2 Operations with significant actual and potential negative impacts on local communities	50	

## LPRM CONTENT INDEX

Local Procurement Reporting Mechanism - LPRM		
LPRM 100 - CONTEXT FOR LOCAL PROCUREMENT DISCLOSURES	<b>DISCLOSURE 101: CONTEXT</b>	
	Mining company name	6
	Mine site name	6
	Reporting period	1
	Stage of the asset, including any significant expansion development under way	1
	Estimated year of mine closure (if producing) or estimated mine-life for a mine under development (if not producing)	7
	Average number of workers on the mine site at once during the reporting period	7
LPRM 200 - PROCUREMENT SYSTEMS	<b>DISCLOSURE 201: POLICY ON LOCAL SUPPLIERS</b>	
	The reporting organisation shall report the existence of any mine site-specific local procurement policy and / or other company policies or company standards that include local procurement	55
	<b>DISCLOSURE 202: ACCOUNTABILITY ON LOCAL SUPPLIERS</b>	
	The reporting organisation shall report the name of the mine site departments responsible for local procurement	Supply Chain Management - SCM - is solely responsible for the acquisition of goods and services within ELEVAR
	<b>DISCLOSURE 203: MAJOR CONTRACTORS AND LOCAL SUPPLIERS</b>	
	The reporting organisation shall report if and how the mine site requires major suppliers / major contractors at the mine site to prioritize local suppliers. Explain how the reporting organization evaluates its major suppliers / major contractors on their local procurement	55
	<b>DISCLOSURE 204: PROCUREMENT PROCESS</b>	
	<b>Disclosure 204 A:</b> The reporting organisation shall provide contact information (address or phone number) for the publicly available supplier contact persons or point of contact for suppliers, such as information offices.	Information Office: Diagonal 6, 12-42 zona 10, Oficina # 1102. Guatemala City, PBX: +502 2216 6161
	<b>Disclosure 204 B:</b> The reporting organisation shall provide information on any internal or external supplier procurement portals, databases, or registries (if applicable, provide URLs)	Portals are not used. The only channel of communication is direct telephone to the Supply Chain Management.
	<b>Disclosure 204 C:</b> The reporting organisation shall provide information on requirements and support for prequalification (if applicable, provide phone numbers, emails, or URLs)	The SCM department delivers a form with the minimum requirements related to legal and tax aspects that the aspiring supplier must fill out to request their creation within the supplier registration system. This form is delivered directly by the SCM department and the creation of the supplier within the system is done by the Finance Department. Once the supplier has been created within the system, you can obtain a purchase order to deliver your goods or services. The support of how to fill out the form or explain the requirements is done by the buyer in charge of the account. Due Diligence -DD- is not yet implemented for new suppliers. Systematic implementation pending.
<b>Disclosure 204 D:</b> The reporting organisation shall provide information about local supplier development programmes or supplier capacity support (if applicable, provide URLs and phone numbers)	53, 57	



## LPRM CONTENT INDEX

LPRM 300 - LOCAL PROCUREMENT SPENDING BY CATEGORY	<b>DISCLOSURE 301: CATEGORISING SUPPLIERS</b>	
	The reporting organisation shall report how the mine site categorises suppliers based on:	
	• Geographic location, such as proximity to the site	55
	• Level of participation, including level of ownership and/ or employment by local individuals or particular groups (Indigenous people, vulnerable groups, etc.)	
	• Level of value addition	
	<b>DISCLOSURE 302: BREAKDOWN OF PROCUREMENT SPEND</b>	
LPRM 400 - LOCAL PROCUREMENT DUE DILIGENCE	The reporting organisation shall report the breakdown of procurement spend for each category of supplier provided in Disclosure 301:	
	• Categorising suppliers, including international suppliers	56
	• Reporting shall provide a breakdown by amount (in relevant currency) and by percentage of total spend	
	• If possible, reporting shall provide a breakdown of spending by major spend families	
LPRM 500 - METHODS TO INCENTIVISE LOCAL PROCUREMENT	<b>DISCLOSURE 401: DUE DILIGENCE PROCESSES</b>	
	The reporting organisation shall report the supplier due diligence processes used at the mine site to avoid purchasing from suppliers with problematic behaviour	20, 21, 29
	<b>DISCLOSURE 402: ANTI-CORRUPTION POLICY</b>	
	The reporting organisation shall report the existence and location of any anti-corruption policy it has and / or any policies that are intended to prevent corruption in their procurement processes and in their suppliers	20
LPRM 600 - EXTERNAL COMMITMENTS AND OBLIGATIONS	<b>DISCLOSURE 403: TRAINING AND GUIDANCE FOR SUPPLIERS</b>	
	The reporting organisation shall report information and training provided to suppliers on best practices related to due diligence processes	20
	<b>DISCLOSURE 505: SUPPORTING SUPPLIERS TO UNDERSTAND THE TENDER PROCESS</b>	
	The reporting organisation should describe activities or support that the mine site provides to local suppliers navigating the tendering and prequalification processes	Not reported
	<b>DISCLOSURE 506: SPECIAL PAYMENT PROCEDURES FOR LOCAL SUPPLIERS</b>	
LPRM 600 - EXTERNAL COMMITMENTS AND OBLIGATIONS	The reporting organisation should describe special payment procedures that the mine site uses to assist local suppliers	Not reported
	<b>DISCLOSURE 507: ENCOURAGING PROCUREMENT FROM PARTICULAR GROUPS</b>	
	The reporting organisation should describe efforts that proactively encourage suppliers to include and support particular groups, such as women, visible minorities, youth, and Indigenous communities	55
LPRM 600 - EXTERNAL COMMITMENTS AND OBLIGATIONS	<b>DISCLOSURE 601: REGULATIONS</b>	
	The reporting organisation should detail regulations for local procurement or procurement from specific types of local suppliers, or any specific contract provisions between the mine site and the host country government	Not reported
	<b>DISCLOSURE 602: OTHER AGREEMENTS AND CONTRACTS</b>	
LPRM 600 - EXTERNAL COMMITMENTS AND OBLIGATIONS	The reporting organisation should detail memoranda of understanding, impact benefit agreements (IBAs), or other types of community benefit agreements that the mine site is subject to from specific local stakeholder groups, and that require action towards procurement from specific types of host country suppliers	Not reported





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