A trusted partner for responsible resource development in Guatemala
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It chronicles our environmental, social and governance (ESG) performance over the initial months of 2020. As a values-based organization, we believe it is imperative to start early on ESG reporting, even for a development-stage company like ours. Our goal is to build stakeholder trust by providing a transparent account of our contributions, impacts, and relationships over time.

Extractive resource companies, alongside many industries today, are facing enhanced focus, scrutiny and expectations on issues such as climate change, human rights, and tailings management, among others. Our stakeholders – from international investors and banks to local community leaders and employees – want to know what we are doing to address these risks and benefit our host jurisdiction.

We are working towards alignment with the Equator Principles and the International Finance Corporation’s (IFC) performance standards on environmental and social sustainability, among other standards. Earlier this year, we conducted our first materiality assessment to identify priority ESG topics, which will inform our sustainability strategy and future reporting.

Our intention is to build on this initial sustainable development summary and produce an annual ESG report that aligns with Global Reporting Initiative (GRI) standards and other good practices.

We are pleased to present Bluestone Resources’ first Sustainable Development Summary to our stakeholders.

The unprecedented challenges brought on by the COVID-19 pandemic in 2020 have affected us all. Our top priority remains to keep our workforce, their families and the community safe. We have implemented site-level policies, protocols, and testing procedures that align with international guidelines and government requirements. We have also supported public-awareness campaigns, donated basic goods and medical equipment to our local communities, and coordinated prevention training for local officials. We are tremendously grateful to our employees and public health workers for their dedication, commitment and discipline to help manage this pandemic.

Despite these challenges, we have made significant progress towards developing the Cerro Blanco Project. We updated the feasibility study and conducted additional drilling, which led to an increased resource estimate. Basic engineering has kicked off and will be completed prior to year end.

Health and safety have always been core to Bluestone’s culture, and we are proud of our performance. We amassed more than two-thousand successive working days without a lost-time injury; however, this long-standing record unfortunately came to an end this September, when a worker experienced a minor hand injury. For Bluestone, even one injury is too many. Our experienced health and safety team is leading continuous improvement...
efforts and implementing a robust occupational health and safety management system.

We place an extremely high value on water, a precious resource that is a fundamental human need and critical resource. Water management is our top environmental concern. We invest considerable time and effort in water resource efficiency and pollution prevention. All water used at site is sent to our water treatment plant, where it is filtered to meet national cleanliness and safety standards before being discharged. We have also put in place a robust water quality monitoring program, which is complemented by independent community-based water monitoring initiatives conducted by the Association of Regional Environmental Monitoring and Protection (AMAR, in Spanish).

Looking ahead
We remain laser-focused on maintaining and continuously improving our COVID-19 protocols and supporting public health prevention efforts, to keep our people and the local communities safe during this global pandemic.

We look forward to working with our stakeholders as we advance the development of the Cerro Blanco Project, and we would like to thank all our employees and contractors for their dedication and hard work during this challenging time.

Jack Lundin
CEO
Bluestone Resources Inc.

“COVID-19 has brought on many challenges, however, we have been able to make important progress at the Cerro Blanco project. We have implemented COVID-19 prevention protocols, reconfigured workspaces, conducted ongoing worker health checks, and implemented a work-from-home policy. We have also reduced the number of workers on site to the minimum required to carry out our drilling program. Our safety record has been very strong in 2020, however, during the month of September, we unfortunately recorded our first lost-time incident in 2,114 days. A worker clearing brush experienced a minor hand injury, and this individual is now back on the job. In 2020, we also obtained regulatory permits for forestry, flora/fauna relocation and clearing and grubbing. I am proud of our team that has remained disciplined and focused during this challenging time, to ensure people are safe and the project remains on schedule. We will continue to take the necessary measures to reduce risks, protect our workers and the community, and keep all our stakeholders informed about our progress.”

Darren Klinck
President
Bluestone Resources Inc.
**SUSTAINABILITY HIGHLIGHTS**

- **2,085 DAYS** without a lost-time safety incident, as of Aug. 2020
- **96%** of our employees and contractors are Guatemalan
- **US$17.6 MILLION** in value-added tax contributions to the Republic of Guatemala from exploration expenditures and investment up until Aug. 2020
- **4,631 HOURS** towards worker health and safety awareness building, from Jan. to Aug. 2020
- **300 HOURS** hours of staff training, from Jan. to Aug. 2020
- 100% of workforce tested, traced, and monitored regularly for COVID-19
- Partnered with UNICEF Canada and the Lundin Foundation to provide COVID-19 prevention training to community representatives
Bluestone Resources is a leading natural resource company, driving stakeholder value through responsible, sustainable, and innovative development.

We are a values-based organization committed to investing in our people and local communities, operating in a safe and sustainable manner, utilizing innovation, and respecting the environment.

Bluestone Resources - through its wholly-owned subsidiary, Entre Mares de Guatemala (together referred to as ‘the Company’ in this document) - is advancing the Cerro Blanco Project and Mita Geothermal Project in southeastern Guatemala.
CERRO BLANCO PROJECT

Cerro Blanco is a permitted, high-grade gold project, located 157 km from Guatemala City and 7 km from the Municipality of Asunción Mita. Bluestone acquired the Project in 2017, as:

- It has – and continues to have – high commercial potential
- The previous owner had already made a significant investment in its development
- Management felt it could leverage its expertise and experience from other mining projects in Latin America

An economic study highlighted a robust low-cost project with an approximate ten year mine life. The Cerro Blanco Project is one of the highest-grade undeveloped gold projects globally, recent exploration drilling was successful in demonstrating the potential of the deposit. All-in sustaining costs are projected to be in the lowest quartile of the industry.

We remain focused on securing the necessary financing to build the infrastructure required to efficiently operate the mine and processing plant.

MITA GEOTHERMAL PROJECT

Located to the east of the mine site, the Mita Geothermal Project is licensed for up to 50 megawatts of clean energy to support the operation of the mine or sell to the national grid. While the current priority is to advance the gold project, the company continues to conduct studies on the Geothermal Project.

MITA GEOTHERMAL PROJECT

Bluestone is part of the Lundin Group of companies, which comprises 14 publicly traded mining and energy companies that operate in 25 countries worldwide. The Lundin Group prides itself in discovering and developing natural resources, and building world-class, responsible operations.

The Lundin Foundation, a not-for-profit organisation based in Canada, plays a key role in strengthening our sustainability approach.

The Foundation assists companies within the Lundin Group in elevating their environmental, social and governance performance.

The Foundation supports the Company in areas related to sustainability strategy and management systems, international standards, communications and reporting, capacity building, local employment, procurement, and partnerships with international organisations.

Lundin Foundation: Having a positive impact on communities around the world

<table>
<thead>
<tr>
<th>Social Investment Areas</th>
<th>Results and Recognition</th>
</tr>
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<tbody>
<tr>
<td>• Education and skills training</td>
<td>• 37 initiatives in 12 countries</td>
</tr>
<tr>
<td>• Economic diversification</td>
<td>• UN Global Compact SDC Leadership (Canada and Ecuador)</td>
</tr>
<tr>
<td>• Local supplier development</td>
<td>• Green Virtue Award (Honduras) UNDP/GEF for work with artisanal miners</td>
</tr>
<tr>
<td>• Social and environmental innovation</td>
<td>• Upstream Oil and Gas Awards (Kenya) for local content and innovation</td>
</tr>
</tbody>
</table>

The Company and authorities have defined the Cerro Blanco Project’s social area of influence including the local villages of Cerro Blanco, El Cerrón, Trapiche Vargas, La Lima, El Tule, San Rafael de Cerro Blanco, Las Ánimas, and the urban area of Asunción Mita. Being the closest communities to the Project, they represent the primary beneficiaries of our community development programs.
GoVeRnAnCe
AND ETHICS

Bluestone Resources is a publicly traded company listed in Canada on the TSX Venture Exchange. It adheres to strict corporate governance regulations set by the Government of Canada. Bluestone has developed corporate policies, a Board Charter and Committee Mandates with the goal of promoting the highest moral, legal, and ethical standards and conduct within the company.

SuSTAINABILITY OVERSIGHT

Bluestone’s Board of Directors has a Safety, Health, Environment and Sustainability Committee that meets quarterly to oversee sustainability performance, to provide oversight of the Company sustainability strategy and risk management. Entre Mares’ General Manager and Country Manager oversees a team of Senior Managers with country and site-level accountabilities for different aspects of sustainability, including a Senior Manager of Health, Safety, Environment and Corporate Social Responsibility.

Our core values, policies and business practices promote accountability to the benefit of all stakeholders. We are committed to honest and ethical conduct: full, fair, accurate, timely, and transparent disclosure in our public reports and communications; and compliance with applicable governmental laws, rules, and regulations, in both Canada and Guatemala.

Our Code of Business Conduct and Ethics is applicable to all directors, officers, employees, agents, consultants, contractors, and sub-contractors. As of Aug. 2020, two-thirds of our staff have received anti-corruption and ethical behavior training, and all contractors are legally bound to adhere to our anti-corruption terms and conditions. Our whistleblower mechanism provides any worker who has witnessed or suspects illegal or unethical behavior – such as fraud, embezzlement, criminal activity, unsafe working conditions, conflict of interest, substance abuse, corruption or bribery – with the ability to communicate their concerns anonymously online, by email, phone, or regular mail.

We continually assess Guatemala’s legal and regulatory environment; corporate and site-level environmental, social and governance policies and practices; and stakeholder feedback, to identify and implement improvements in our approach to governance.

We pride ourselves in running a highly ethical business; all our decisions and actions are reflected in our Corporate Values:

INTEGRITY
- We are ethical, honest, and transparent
- We communicate openly and honestly
- We keep our promises and deliver on our commitments

RESPECT
- We care about our employees and their health and safety
- We treat everyone with the same level of respect
- We respect local laws and cultural practices of the community
- We strive to minimize our impact on the environment
- We respect the expectations of our shareholders

EXCELLENCE
- We work safely, efficiently, and effectively
- We invest in people to help them be their best
- We are innovative and courageous in challenging ourselves and the status quo
- We take pride in our work and strive to be the best

TEAMWORK
- We work together in pursuit of a common purpose
- We keep our word to each other
- We trust each other to deliver on what we are responsible for
- We value what each of us contributes and celebrate success together

ACCOUNTABLE
- We take ownership over those things we are responsible for
- We anticipate issues, stay ahead of problems, and find solutions
- We work hard and deliver results
Vision, Mission, and Values
Code of Business Conduct and Ethics
Anti-Corruption Policy
Anti-Bribery Policy
Conflict of Interest Policy
Diversity Policy
Human Rights Policy
Privacy Policy
Responsible Resource Development Policy
Whistleblower Policy

COMMITMENT TO INDUSTRY TRANSPARENCY AND COLLABORATION IN GUATEMALA

We are proud to support the Extractive Industries Transparency Initiative (EITI) through our contributions to the Lundin Foundation, an official EITI Supporter. We are committed to transparent annual reporting of all taxes, royalties and other government payments through EITI Guatemala reporting, as well as the Government of Canada’s reporting requirements under the Extractives Sector Transparency Measures Act.

We believe strongly in working together with different levels of government to ensure Guatemala’s natural resources provide benefits to the country, especially communities near project sites. To promote the open and accountable management of the payments we make to government, we collaborate with others, like EITI Guatemala, to build greater awareness and understanding about this issue with in-country stakeholders.

Working with the Guatemalan private sector – including other mining companies – is essential to having a strong and unified voice for engaging with government and institutional stakeholders on how to position the country as an attractive destination for foreign investors committed to sustainable development, especially in mining. We are actively engaged in the following Guatemalan industry associations:

Through our collaboration with the Lundin Foundation, we also engage with the Mining Association of Canada.
As the world faces an unprecedented pandemic due to COVID-19, the health and safety of our employees and communities are undoubtedly our top priority. To provide a safe work environment and contribute to the local public health response, we have developed and implemented strict protocols and controls at site that align with international guidelines and comply with the national health authority’s requirements, including:

1. **Health Plan: Preventing COVID-19**
2. **Self-cleaning procedure**
3. **Cleaning and disinfection of work spaces**
4. **Biosafety measures for COVID-19**
5. **Cleaning and disinfection of packages**
6. **Cleaning and disinfection of vehicles**
7. **Wearing masks**
8. **Management and elimination of bio-dangerous waste**
9. **Procedure for COVID-19 detection**
10. **Entry protocol**
11. **Screening protocol of suspicious and positive cases**
With extensive health and safety expertise at site, we are prepared to manage current and emerging COVID-19 risks for our workers and local stakeholders. We have been regularly monitoring, tracing, and testing our workforce at site, in Asunción Mita, and in Guatemala City, to catch any cases early and prevent community spread. And we have reconfigured work areas to better facilitate social distancing.

In addition, we support response, prevention and awareness-building efforts undertaken by national, departmental, and local governments, and the surrounding communities.

Through the Municipality of Asunción Mita, we have made local donations of basic goods, medical supplies and medical equipment, and coordinated stakeholder capacity-building activities.

With the support of the Lundin Foundation, we have also worked with UNICEF Canada to provide municipal and community leaders with training on practical tools and actionable measures for preventing the spread of COVID-19 at the local level. Held at the Company’s Visitors Centre, UNICEF led a virtual workshop with participants from the local health authority (CAIMI, in Spanish), staff from the legal, social and communications departments of the Municipality of Asunción Mita, as well as representatives from Entre Mares.

To reinforce public health messaging with our external stakeholders, we have also been regularly sharing and reposting on our social media channels World Health Organization guidelines and national government requirements and information relating to:

- Prevention practices at home
- Disinfection and sanitization practices
- Access to medical attention
- Biosecurity protocols

Our Policy covers our commitments to:

- Prioritize worker health and safety
- Implement appropriate management systems
- Meet and, where necessary, exceed legal requirements
- Align with international sustainability standards
- Continuously improve sustainability performance
- Engage stakeholders with honesty and integrity
- Respect the human rights of our workers and external stakeholders
- Contribute to community wellbeing and respect local history and customs
- Dialogue regularly and transparently with stakeholders
- Provide local employment and procurement opportunities
- Maximize stakeholder benefits
- Develop robust emergency response plans
- Manage water, biodiversity, land and other natural resources responsibly
- Train employees and contractors to comply with this Policy

Our SUSTAINABILITY APPROACH

COMMITMENT TO RESPONSIBLE RESOURCE DEVELOPMENT AND INTERNATIONAL STANDARDS

We strive to manage and monitor socio-environmental impacts, risks, and opportunities; meet and, where necessary, exceed local regulations; and implement sustainability management systems in alignment with international standards and good practice. In 2018, our Board of Directors approved Bluestone’s Responsible Resource Development Policy, which all directors, officers, employees, contractors and sub-contractors must comply with, every year, they are all required to sign an acknowledgement that they have received, read, and abide by the Policy.

This Policy directs our actions as we create shared value and mutually beneficial long-term relationships with our stakeholders, according to our three guiding principles - Ethics, Sustainability, and Operational Excellence - which, in practical terms, means: working safely, respectfully, and with excellent socioenvironmental stewardship in all our activities.

Enfocados en la Prevención

Enfocados en la Prevención
We are taking a progressive approach to aligning with international sustainability standards, to shape management systems, strengthen internal alignment on key issues, and contribute to the capacity building of our workforce and, under certain circumstances, external stakeholders. This gradual approach is currently focused on implementing standards that support the Project’s most immediate needs.

To meet investor and financing expectations, Bluestone has committed to aligning with the Equator Principles and the International Finance Corporation’s Performance Standards on Environmental and Social Sustainability, and related World Bank Guidelines. We are also working towards alignment the Global Reporting Initiative and the Voluntary Principles on Security and Human Rights, and we contribute to the Extractive Industries Transparency Initiative (EITI) reporting for Guatemala (and through our contributions to the Lundin Foundation, we are an EITI Supporter).

Our Responsible Resource Development Policy and commitment to these standards are applicable to all employees, contractors, and sub-contractors.

In 2020, we conducted our first corporate-level materiality assessment, following the Global Reporting Initiative Universal Standards, to define the environmental, social and governance issues that matter most to our company and stakeholders. The materiality assessment involved conducting interviews and reviewing company documents, applicable international standards, and stakeholder publications, to identify relevant topics and rank them based on importance to stakeholder decisions and business impacts. Below are the priority topics identified in our materiality matrix.

**MATERIALITY: PRIORITY SUSTAINABILITY TOPICS**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Importance to Stakeholder Decisions</th>
<th>Significance of Impacts on or from BSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local content</td>
<td>Biodiversity &amp; conservation</td>
<td>Responsible Project Delivery</td>
</tr>
<tr>
<td>Environmental &amp; Climate</td>
<td>Governance and project delivery</td>
<td>Our people</td>
</tr>
</tbody>
</table>

We are committed to bringing out the best in our people. We work hard to strengthen our culture of respect, and practice a management style that engages with, listens to, and supports employees, while promoting and providing a safe, healthy, and productive work environment.

We recruit and invest in the best people to not only meet the company’s objectives, but also to fit well with our culture. We are building a diverse and well-qualified team. Thanks to our recruitment strategy, we have the necessary tools at our disposal to identify and meet our staffing needs over the short, medium, and long term.

We are also committed to local employment. We are developing programs that provide training and employment opportunities for local jobseekers during construction and operations. These programs, which will prioritize communities closest to the site, will incorporate transparent and equitable recruitment and selection processes that we will communicate widely to our stakeholders.

We are proud of our small but high-performing team, over 26% of whom are women. Traditionally, mining companies around the world have a workforce that comprises less than 20% women. Although we may be better than average, we will look to improve our proportion of female workers over time, as part of our commitment to diversity.
We are also a company that prioritizes local employment, and actively track where employees are from. The following table provides a summary, as of August 2020:

### EMPLOYEES (Aug. 2020)

<table>
<thead>
<tr>
<th>Priority Communities</th>
<th>Quantity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cerro Blanco, Trapiche Vargas, La Lima, El Tule, El Cerrón, Asunción Mita, Las Ánimas, San Rafael de Cerro Blanco</td>
<td>114</td>
<td>100%</td>
</tr>
<tr>
<td>Department of Jutiapa</td>
<td>68</td>
<td>60%</td>
</tr>
<tr>
<td>Expatriates</td>
<td>9</td>
<td>8%</td>
</tr>
<tr>
<td>Other parts of Guatemala</td>
<td>29</td>
<td>25%</td>
</tr>
</tbody>
</table>

### CONTRACTORS (Aug. 2020)

<table>
<thead>
<tr>
<th>Priority Communities</th>
<th>Quantity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cerro Blanco, Trapiche Vargas, La Lima, El Tule, El Cerrón, Asunción Mita, Las Ánimas, San Rafael de Cerro Blanco</td>
<td>76</td>
<td>100%</td>
</tr>
<tr>
<td>Department of Jutiapa</td>
<td>43</td>
<td>57%</td>
</tr>
<tr>
<td>Expatriates</td>
<td>13</td>
<td>17%</td>
</tr>
<tr>
<td>Other parts of Guatemala</td>
<td>43</td>
<td>26%</td>
</tr>
</tbody>
</table>

*Priority communities: Cerro Blanco, Trapiche Vargas, La Lima, El Tule, El Cerrón, Asunción Mita, Las Ánimas, San Rafael de Cerro Blanco.*
EMPLOYMENT PRACTICES

RECRUITMENT

We aim to attract and retain the best-available talent throughout the project lifecycle, while stimulating local employment as much as possible. We strengthen local human capital by providing training to existing employees, and capacity building for our potential workforce from nearby communities. It is important to acknowledge that not everyone from the community will secure employment with Entre Mares; however, we have systems in place to help us to prioritize local hiring of candidates that meet the necessary job requirements. We also engage in internal recruitment for filling available positions as much as possible, to support professional development and succession planning.

WORKPLACE

We have taken measures to ensure all workers can carry out their responsibilities with dignity and can thrive in an environment that is free from any form of discrimination or harassment. We comply with Guatemalan labour law and our corporate policies, to ensure our workforce is offered the most present and safe conditions to everyone, setting the basis for constructive relations between the company and current - as well as future - workers.

COMPENSATION AND BENEFITS

We offer compensation and benefits that exceed the basic requirements of Guatemalan labour law. Our compensation and benefits strategy is based on internal equity, personal performance and external competitiveness. To ensure our footing is aligned with the market and good practice, we participate in annual salary surveys. Our benefits program includes life insurance, medical coverage for employees and their immediate family, and an regular health check-up plan. We are regularly reviewing and revising our benefits offering.

PROFESSIONAL DEVELOPMENT

To help employees reach their potential and grow professionally, we offer free training across departments and to all levels of our workforce. For instance, we have recently hosted workshops on a range of topics, such as water treatment, international standards, community relations, social risk management, health and safety, assertive communications, among others. From Jan. to Aug. 2020, we registered 300 hours of staff training.

HEALTH AND SAFETY

We are committed to ensuring all our workers return home safely every day. We believe health and safety are a shared responsibility for everyone – management, employees, and contractors and sub-contractors.

The company has all the necessary training, procedures, and equipment in place to protect workers from occupational risks and ensure they can carry out their jobs safely and efficiently. All workers are expected to promote health and safety in the workplace and must immediately report any dangerous behaviours and conditions they observe, to minimize the potential for an incident to occur.

From Jan. 2019 to Aug. 2020, there were no lost-time health and safety incidents, or illnesses recorded at site. The site amassed a total of 2,002,679 working hours, or 2,085 days, without recording a lost-time incident (as of Aug. 2020). We did, however record a lost-time incident in Sept. 2020 (which is beyond the reporting period of this document). A worker clearing brush experienced a minor hand injury, and this individual is now back on the job. We are proud of our health and safety record, but incidents like this one serve as an important reminder for us to keep focused on continuously improving our health and safety performance.

From Jan. to Aug. 2020, our workforce recorded 4,631 hours of health and safety awareness building. All workers receive regular health and safety training - from their initial onboarding program onwards. And every day at site, there are team health and safety talks and planned breaks for stretching and physical exercise.

To ensure we provide the safest working conditions possible for our people, we have carried out 485 inspections of workspaces, chemical storage facilities, and processes from Jan. to Aug 2020. We also have a daily monitoring program to identify possible health and safety risks, and corresponding mitigation measures must be implemented within a maximum of seven days after any finding. Our incident reporting and investigation procedure requires immediate incident notification, appropriate response and mitigation, a root-cause analysis, and preventive/ corrective follow-up actions.
We are committed to conducting business in a sustainable manner, based on the responsible management of natural resources and ecosystems. We strive to promote a culture of environmental stewardship among our workers and within local communities. We integrate environmental considerations into our procedures and planning processes. Our environmental management and monitoring plans cover water, soil, air, waste, noise, vibrations, and biodiversity.

We are working on the implementation of an Environmental Management Plan, focused on impact prevention, that aligns with international standards, such as International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability, the World Bank Group (WBG) General Environmental, Health and Safety (EHS) Guidelines (2007), and WBG EHS Guidelines - Mining Sector (2007). The Cerro Blanco Project has secured the necessary environmental licenses and permits from Guatemala’s Ministry of Environment and Natural Resources. It also has its forestry license to carry out forest management plans and activities. As of Aug 2020, the Project has not received any environmental fines or non-monetary sanctions from the authorities.

The Company’s water permits and licences are all in good standing with the regulator. We maintain a rigorous water management and monitoring program that is in line with the IFC Performance Standards and WBG Guidelines, as well as the national sewage disposal and reuse regulations and health and safety guidelines.

In addition to our own water monitoring program, there is an independent community-led group, the Association of Regional Environmental Monitoring and Protection (AMAR, in Spanish) that collects its own water samples at 12 different measurement points on a quarterly basis, alongside our environmental team. AMAR analyzes and verifies water quality results, as well as aquatic and land biology measurements, and makes them available to local communities for feedback.

AMAR’s findings, insights, and recommendations are important inputs to our continuous improvement efforts. Collecting water samples since 2010, AMAR is made up of local community members and independent technical advisors from the University of San Carlos. Community participants are selected by the Community Development Councils. All local communities interested in this program have representatives that participate in AMAR. You can learn more about AMAR at monitoreodeamar.blogspot.com or on Facebook.

The scope of our environmental monitoring efforts continues to increase. In addition to the 12 water monitoring stations, there are six air quality stations, which are also monitored independently by AMAR on a semestral basis. We also have six noise measurement stations. Monitoring results that correspond to our Environmental Management Plan are shared with the authorities.

We place an extremely high value on water, a precious resource that is very important to the community. We invest considerable time and effort in water resource efficiency and pollution prevention. All water used at site is sent to our water treatment plant, where it is filtered to meet national cleanliness and safety standards before being discharged.

WATER MANAGEMENT AND MONITORING

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As part of our commitment to conserving local biodiversity and the surrounding ecosystem, we are developing and implementing a Flora and Fauna Rescue Plan and a Biodiversity Conservation Plan. The Project site has two conservation areas that it monitors continuously. No impact is expected on these areas.
Flora and fauna monitoring and management are conducted through:

- Annual biological sampling of aquatic and land biodiversity.
- Environmental monitoring programs.
- Environmental education for employees, communities, and contractors.
- Reforestation and seedling donations.
- Control and prevention of forest fires.

We have identified 81 different species of flora and fauna in the Project area. We are committed to their rescue, conservation, and relocation, in compliance with our environmental permit, license requirements, and international standards.

Examples of our conservation efforts include:

- Wild species rescue and relocation to protected areas.
- Forest recovery and reforestation with native species (mapping, collecting ecological information and conducting resource inventories, to ensure conservation efforts succeed and can achieve the desired results for the ecosystem).
- Fire prevention and response initiatives led by a brigade of employees.
- Biological sampling carried out annually to support forest management in protected areas.
- Donations of native species to environmental authorities and local stakeholders.

We foster trust and constructive relationships with the local population near the Cerro Blanco Project, to catalyze the development of sustainable communities. Ultimately, we aim to contribute to long-term mutual prosperity and responsible development; that is how we maintain our social license.

We take a respectful approach to engaging with our stakeholders and recognize that a significant part of our role is to help build human and institutional capacity, so that local communities can achieve their development goals.

We are implementing a social management system, that facilitates proactive two-way engagement, aligned with international standards. We are working on new opportunities to contribute to community development – with a particular focus on local skills training, employment, and procurement – so communities can benefit from the economic activity associated with the construction of the Cerro Blanco Project.

We acknowledge that not everyone in the community will get a job or a contract with the mine. That is why supporting other development activities – such as those involving economic diversification, innovation, education, and public health (especially in the era of COVID-19) – is essential to ensuring local communities are prosperous over the long run.

We recently supported a community development project to benefit the village of La Lima, where we drilled a well and began installing a pumping system and infrastructure to supply water for domestic use. Thanks to this initiative, more than 200 people will have improved access to water in 2021. To carry out this project, we have worked together with the Municipality of Asunción Mita, local leaders, and other stakeholders. A community-based water committee was established and trained on water management. Led by ten young adults, the committee continues to build its capacity and collaborate, so the community has access to this essential service.

We have supported the rehabilitation, improvement and pavement of roads and bridges to connect local communities over the last ten years. In 2019, we hired local workers to pave roads in the villages of Cerro Blanco and Trapiche Vargas. Today, well over 300 families in those villages benefit from this investment.

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This project benefits all the members of our community, as road conditions always worsen during winter. Thanks to Entre Mares, this road lets us travel to the urban area of Asunción Mita without any issues.

Community Representative
Trapiche Vargas
We are committed to buying local when needed products and services are locally available and meet our requirements and standards, and we are developing a Local Procurement Program. Priority is given to established entrepreneurs and small businesses from nearby communities that meet our requirements and offer competitive pricing. As part of our local economic development program, we will also seek out reasonable opportunities to build the capacity of local businesses to help them succeed in the marketplace.

Local procurement is a transparent initiative; we share information about our program and opportunities with local stakeholders and businesses on an ongoing basis. Our support for local procurement is just beginning and will continue into operations. There will be many opportunities for local businesses over the life of mine.