



Via email: matthews@business-humanrights.org

May 15, 2020

Hannah Matthews, Researcher for Latin America
Mauricio Lazala, Deputy Director
Business & Human Rights Resource Centre

Dear Hannah and Mauricio,

Thank you for the opportunity to respond to your inquiry dated May 8, 2020.

In response to the COVID-19 pandemic, the government of Guatemala issued a State of Calamity decree on March 5, 2020, which has been extended to June 5, 2020. The decree closed the country's international borders and imposed restriction of movement within the country. Similarly, other governments in Pan American's operating jurisdictions have imposed national quarantines and other measures to contain the spread of the COVID-19 virus. These restrictions have led to significant disruptions to food and medical supplies, causing hardship across the country and in many communities near the Escobal Project. Pan American has received many requests for support, and we are responding with donations of food, sanitary and medical supplies for all our local communities, including those within Guatemala. This humanitarian aid is provided without condition, including no intention to use acceptance of this aid as an indication of community support for the Escobal mine.

As you are aware, Pan American Silver acquired the Escobal mine in February 2019 through our acquisition of Tahoe Resources. Since then, we have been working hard to establish a new, constructive approach in addressing the mine's presence in the region. We have restructured the organization in Guatemala, including appointing new team members, and we are working towards establishing positive relations with the workforce, communities and Indigenous peoples by listening to their concerns and expectations.

Our commitment when we acquired the Escobal mine was to respect and protect human rights. On July 30, 2019, we announced that we had reached a final resolution with Guatemalan community members who had commenced a Supreme Court of British Columbia action in 2014 against Tahoe Resources Inc. Resolving this matter soon after our acquisition of Tahoe demonstrates our commitment towards taking a respectful approach to resolving conflicts amicably and addressing the communities most pressing concerns.

In addition, we have revised our security practices to adhere to the Voluntary Principles on Security and Human Rights, as well as implementing the Child Rights and Security Checklist. We have appointed a Human Rights Officer and we have adopted a corporate-wide Human Rights Policy.



PAN AMERICAN
— SILVER —

1440 – 625 HOWE STREET
VANCOUVER, BC CANADA V6C 2T6
TEL 604.684.1175 • FAX 604.684.0147
www.panamericansilver.com

We look forward to actively participating in the court-mandated and government-led ILO 169 Indigenous Peoples Consultation process, as and when requested by the Guatemalan Ministry of Energy and Mines. We understand the ILO 169 consultation process is intended to address the questions and concerns of the participants in a structured manner that has been extensively developed to resolve conflicts and reconcile diverse interests. We have been clear in our communications to government officials that we encourage broad participation in the ILO 169 consultation. Irrespective, we also aim to develop a transparent, respectful and inclusive dialogue with all the communities of interest regarding the Escobal mine, including discussions on how impacts can be addressed, and benefits be more broadly distributed to the local communities, Indigenous peoples and the country as a whole.

Please feel free to reach out to us regarding any further concerns or questions you may have. Further information on our community programs is also available in our 2019 Sustainability Report at: <https://panamericansilver.com/sustainabilityreport2019/>

Kind regards,

A handwritten signature in black ink, appearing to read "B. + L. Bergeron", followed by a horizontal line.

Brent Bergeron
Senior VP, Corporate Affairs and Sustainability

cc: Diana Figueroa Prado, Business & Human Rights Resource Centre