

**2022**







# Fostering Development

In recent years, the mining industry has significantly shifted its focus to prioritize sustainability. This change is driven by the industry's potential environmental and social impacts, putting pressure on mining companies to operate in a responsible and sustainable manner. Consequently, these companies, including ours, are rigorously evaluating their practices to fulfill environmental, societal, and ethical responsibilities.

At Compañía Minera Pangea, we are aware of this shift and are committed to acting accordingly. Our 2022 Sustainability Report is a testament to this commitment, showcasing our efforts in community engagement, environmental stewardship, employee development, and responsible corporate governance. It highlights the best practices we have implemented and their contributions to sustainability.

Since its inception, Compañía Minera Pangea has placed a strong emphasis on environmental preservation and enhancing the quality of life for our employees and local communities. We are dedicated to promoting initiatives that align with the Sustainable Development Goals through our environmental reclamation and social development programs, focusing mainly on health protection, educational advancement, and creating value for our employees and the communities we serve.

The year 2022 marked a significant turning point for our organization, especially with the advancements in the Fenix Project. Updating the Feasibility Study allowed us to thoroughly evaluate the project's overall viability, including its financial, environmental, social, and technical aspects. We achieved significant savings and, in addition, determined that the environmental and social impact already generated by our current mining operations will play a crucial role in shaping the future of the Fenix Project.

As we wrap up a year filled with challenges and preparations, we are optimistic about the road ahead. Embarking on a new phase of our project, we aspire to a sustainable future that benefits all our stakeholders.

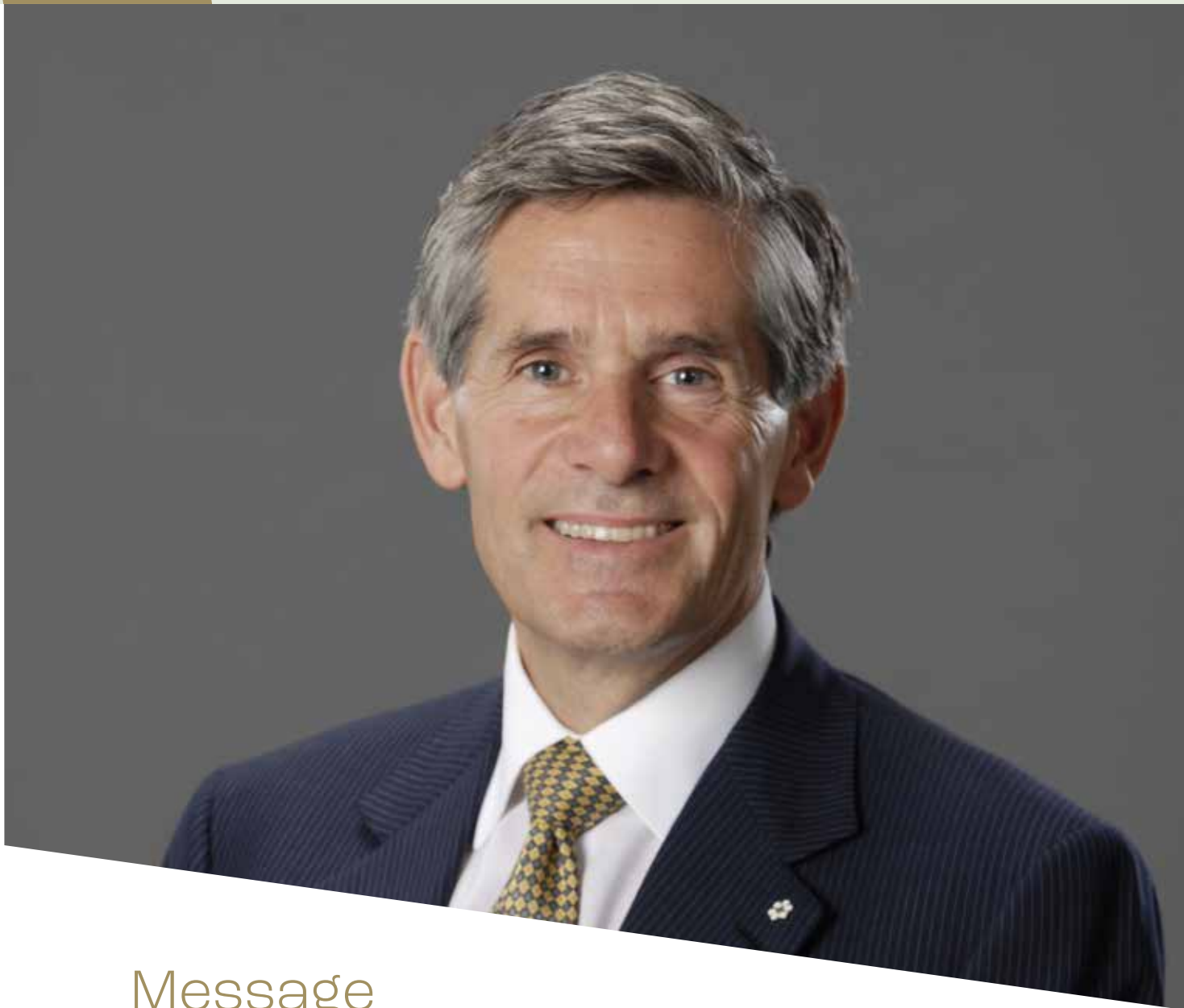
# Index

Message from Rob McEwen	8
Message from Adrián Blanco	10
<b>OUR COMPANY</b>	<b>12</b>
McEwen Mining	14
Projects	15
Financial and Stock Market information	16
Production Results	16
Rob McEwen, Chairman & Chief Owner	17
Compañía Minera Pangea	18
About This Report	21
Independent Verification	23
Materiality	24
<b>CORPORATE GOVERNANCE</b>	<b>28</b>
Sustainability Management and ESG Commitment	30
Our Culture	31
Strategic Team	32
Ethics and Integrity	34
Value Chain	37
Stakeholders	38
<b>ECONOMIC PERFORMANCE</b>	<b>40</b>
Message from Alejandro Morales	42
Distributed Economic Value	44
Shared Value	45
Tax Compliance	46
Economic Diversification: Pangea Laboratory	47



<b>BUILDING SUSTAINABLE COMMUNITY RELATIONSHIPS</b>	<b>48</b>
Message from Santiago Grande	50
Our People	52
Health and Safety	60
Social Commitment	68
<b>Special report:</b>	
A Commitment to Gender Equality	74
<b>Strategic Future:</b>	
A New Management Model for Social Aspects	78
<b>ENVIRONMENTAL PERFORMANCE</b>	<b>82</b>
Message from Hernán Beltrán	84
Compliance with Environmental Legislation	86
Environmental Risk Management	87
Energy	90
GHG Emissions	92
Water	93
Biodiversity	94
Promotion of Environmental Activities	98
<b>FENIX PROJECT:</b>	
<b>THE FUTURE IS NEAR</b>	<b>100</b>
Message from Miguel Barahona	102
Economic Aspects: Profitability and Efficiency	103
Operational Aspects: Innovation and Development	104
Environmental Aspects: Commitment to Sustainability	105
The Near Future	105
<b>ALLIANCES</b>	<b>106</b>
<b>INDEXES</b>	<b>108</b>
Global Reporting Initiative (GRI)	108
Global Compact	111
Sustainable Development Goals (SDG's)	112
Towards Sustainable Mining	114
<b>CAUTIONARY STATEMENT</b>	<b>117</b>





## Message from Rob McEwen

### **Dear Readers,**

The mining industry is currently at a pivotal crossroads, facing significant global challenges. These challenges stem from the high demand for minerals and the critical scrutiny from various sectors of society, including non-governmental organizations and governments. However, this juncture also presents a unique opportunity for those in the mining sector to redefine our practices and act with greater responsibility towards society and the environment.

I invite everyone to learn more about the mining industry and its vital contributions to everyday life. Let's unite our capabilities to generate innovative ideas and build a sustainable future. After all, the essential raw materials for modern society are provided through mining.

I am pleased to recognize that our team at Compañía Minera Pangea has skillfully integrated social responsibility strategies into our daily operations. These strategies significantly contribute to sustainable development, involving all stakeholders in Mexico.

Our commitment to environmental care in Mexico has fostered a culture of ecosystem preservation, aligning our efforts with the Sustainable Development Goals of the United Nations Global Compact.

The year 2022 was a year of decisive actions for us, including the suspension of production in Mexico to refocus our vision on the future, which I foresee bright and successful with Project Fenix.

This report is a testament to our ongoing commitment to the United Nations Global Compact, UN Women, and The 2030 Agenda. It outlines our progress in adhering to environmental, social, and corporate governance principles. As in previous years, we have compiled this report following the highest international standards, including the guidelines of the Global Reporting Initiative.

I invite you to learn more about the actions we undertook in Mexico during 2022 and how we can contribute to a world where mining plays a crucial role in sustainable development.

**Rob McEwen**

— *Chairman and Chief Owner*  
McEwen Mining Inc

“

This report is a testament to our ongoing commitment to the United Nations Global Compact, UN Women, and The 2030 Agenda. It outlines our progress in adhering to environmental, social, and corporate governance principles.”



## Message from Adrián Blanco

**Dear friends,**

At Compañía Minera Pangea, subsidiary of McEwen Mining, resilience stands as one of our core virtues.

In 2022, we temporarily concluded metal production at El Gallo, suspending mining operations while strictly adhering to necessary safety protocols. Although making this decision was very difficult, it opened doors for innovation and transformation within the El Gallo Complex.

Our current focus is on the swift advancement of Project Fenix, which represents continuity for El Gallo. I am pleased to inform you that in 2022, we made significant acquisitions of a plant and equipment for this project, setting the stage for construction to commence in 2023-2024.



Additionally, we have strengthened other company areas, notably our Pangea Laboratory, now officially accredited to provide mineral analysis services to third parties, including for the Fox Complex in Canada and the Gold Bar Mine in the United States.

In our commitment to responsible mining, we stay aware of the environmental impacts generated by our operations, which has led us to establish a remediation program that exceeds existing regulatory requirements.

I am proud to highlight our continued partnership with the local communities around El Gallo. Even amidst the temporary production halt, our commitment to social investment remains unwavering, aiming to foster sustainable growth in our operational areas.

For McEwen Mining, continuing to strengthen alliances with government bodies, civil society organizations, and the broader community is paramount. We believe these collaborations are key to effectively managing the economic and social development in the country.

I extend my heartfelt gratitude to all our collaborators for their exceptional work this year. Despite facing significant challenges, our organizational culture and best business practices have been strengthened by their valuable contributions, benefiting McEwen Mining's operations not just in Mexico, but also in Canada, the United States, and Argentina.

We are proud to share this Sustainability Report that synthesizes Compañía Minera Pangea's achievements in productivity, environmental stewardship, and social responsibility for 2022.

Sincerely,

**Adrián Blanco Sáenz**

*Director - America and Mexico*

“

In our commitment to responsible mining, we stay aware of the environmental impacts generated by our operations, which has led us to establish a remediation program that exceeds existing regulatory requirements.”

# Our Company





“

Mining is one of the  
biggest drivers of foreign  
direct investment in  
Mexico, contributing  
**US\$1.6 billion in 2022”**



“

Mining in Mexico is a significant exporter, with foreign sales of **US\$16.1 billion in 2022.**”

**1979**

Incorporated as  
**US Gold Corp**

**2011**

Renamed as  
**McEwen Mining**

## McEwen Mining

McEwen Mining Inc., headquartered in Toronto, Canada, and based in the U.S., is engaged in the exploration, development, production, and sale of gold and silver, as well as in the exploration and development of copper projects.

Originally founded as US Gold Corporation on July 24, 1979, the company changed its name to McEwen Mining Inc. in January 2012. Today, McEwen Mining operates across four countries in the Americas, and has a diverse portfolio of projects at various stages of development and production.



# Projects

## Portfolio of Projects and Operations in US, Canada, Mexico and Argentina

PROJECT / OPERATION	OPERATING COMPANY	REGION	METAL
<b>Production</b>			
San José	Minera Santa Cruz	Santa Cruz, Argentina	Gold Silver
Fox Complex	McEwen Mining	Timmins, Canada	Gold
Gold Bar	McEwen Mining	Nevada / United States	Gold
El Gallo	Compañía Minera Pangea	Sinaloa / Mexico	Gold
<b>Development</b>			
Project Fenix	Compañía Minera Pangea	Sinaloa / Mexico	Gold Silver
Los Azules	McEwen Copper	San Juan / Argentina	Copper
<b>Advanced Exploration</b>			
Fox West	McEwen Mining	Timmins / Canada	Gold

**01 / US**  
**Gold Bar,**  
(100% owned),  
Eureka County, Nevada.

**02 / CAN**  
**Fox Complex**  
(100% owned),  
Ontario, Canada.

**03 / MEX**  
**El Gallo and  
Project Fenix**  
(100% owned),  
Sinaloa, México.

**04 / ARG**  
**Los Azules**  
(47.7% owned),  
San Juan, Argentina.

**05 / ARG**  
**San José**  
(49% owned),  
Argentina, shared with  
Hochschild Mining.

# Financial and Stock Market Information

McEwen Mining Inc. is listed under the ticker MUX on the New York Stock Exchange (NYSE) and the Toronto Stock Exchange (TSX).

As of  
March 1st  
2023

THE COMPANY HAS:

**47,427,584**  
shares outstanding

MARKET  
CAPITALIZATION:

**401.71**  
Million USD

## Production results

EL GALLO GOLD  
TOTAL PRODUCTION  
**851**  
gold equivalent ounces.\*

\* Gold Equivalent Ounces: Based on a gold-to-silver price ratio 84:1 for 2022.

### McEwen Mining / 2022 production

PROJECT	GOLD	SILVER	GOLD EQUIVALENT OUNCES*
Fox Complex	36,652	-	36,652
Gold Bar	26,611	684	26,619
El Gallo Gold	844	616	851
San José	38,613	2,593,304	69,129
<b>Total</b>	<b>102,680</b>	<b>2,598,230</b>	<b>133,252</b>

### More information and contact

For more details about McEwen Mining Inc.'s legal status, financials, and performance during 2022, please visit our official website at:

<https://www.mcewenmining.com/investor-relations>.

To invest in our Company, please contact:

Investor Relations

(866)-441-0690 toll free

(647)-258-0395

[info@mcewenmining.com](mailto:info@mcewenmining.com)

## Rob McEwen, Chairman & Chief Owner



Rob is the Chairman and Chief Owner of McEwen Mining. Rob has dedicated his entire career to the gold industry. He spent his first 18 years in the investment industry and has been the CEO of various gold mining companies since 1990.

Rob founded Goldcorp, taking the Company from a market capitalization of \$50 million to over \$8 billion. He owns 17% of McEwen Mining (MUX) and 12.9% of McEwen Copper and receives a salary of \$1 per year. His investment cost in McEwen Mining and McEwen Copper is \$220 million.

Rob and his wife, Cheryl, have donated more than \$60 million to foster excellence and

innovation in healthcare and education.

Rob was awarded the Order of Canada in 2007, the Queen Elizabeth Diamond Jubilee Award in 2013, was inducted into the Mining Hall of Fame in 2017 and holds Honorary Doctor of Laws degrees from York University and Western University.

He is also a member of the Dean's Advisory Council of the Schulich School of Business, a trustee of the X Prize Foundation, and a member of the CEO (Chief Executive Organization) and WPO (World Presidents' Organization). He serves on the Advisory Board of the McEwen School of Architecture.

Rob McEwen owns 17% of  
the Company with a salary  
of \$1 per year.



# Compañía Minera Pangea

Compañía Minera Pangea S.A. de C.V. is a subsidiary of McEwen Mining engaged in the exploration, development, production and sale of gold and silver. The Company has more than 1,700 square meters of mining concessions.

Headquartered in Guamúchil, in the Municipality of Salvador Alvarado, Sinaloa, Compañía Minera Pangea operates in the community of El Magistral, within the Municipality of Mocorito, Sinaloa.

With more than 200 years of history, the Company has been committed to the social and economic development of the region and has made significant investments in the development of its operations. Established legally in 1994 as Cia. Minera Pangea SA de CV, the Company has been owned by McEwen Mining Inc. since 2007.

The Company's operating offices are located at the El Gallo complex in the Sierra Madre Occidental, 48 kilometers northwest of Guamúchil. The area has gold and silver deposits within an 8-mile (13 km) radius, and it includes the El Gallo and Palmarito silver deposits, as well as the El Magistral gold deposit.

## Operations







Before June 2018, the Company operated an open pit mine with the capacity to crush up to 4,500 tons of ore per day. From 2019 to June 2022, the El Gallo mine underwent a residual leach stage, which was completed both safely and on schedule. Subsequently, the mine transitioned into a new maintenance phase that required substantial adjustments in procurement strategies. Throughout this phase, the Company adhered to all energy, safety, and supervisory procedures for the leach yards and the ADR plant.

2022 marks an important milestone for the Company, with significant progress in the next phase of our operation: Project Fenix. We continue to invest in its research and development and the recent acquisition of a mill marks a step forward that positions us for continued growth and contribution to the sustainable development of the region.

2022 marks an important milestone for the Company, with significant progress in the next phase of our operation:  
**Project Fenix.**

“ Approximately **70% of the silver** produced every year is used in industrial applications, from electronics to solar panels!”

## Production

El Gallo mine commenced commercial production in January 2013, following its inaugural gold pour in September 2012. Since its inception, the mine operated as an open-pit operation, featuring crushing and heap leaching with a capacity to process 4,500 tons of ore per day.

The mine produced 284,000 gold equivalent ounces at an average cash cost of \$655 per ounce. However, due to the transition to deeper sulfide mineralization that is not amenable to heap leaching, mining and crushing activities were halted in the second quarter of 2018. To date, gold production continues through the residual heap leaching process.

### Production data for the El Gallo



Production period **2013 - June 2018**



Total gold production **284,000 ounces**



Average cash cost per ounce of gold **655 dollars**

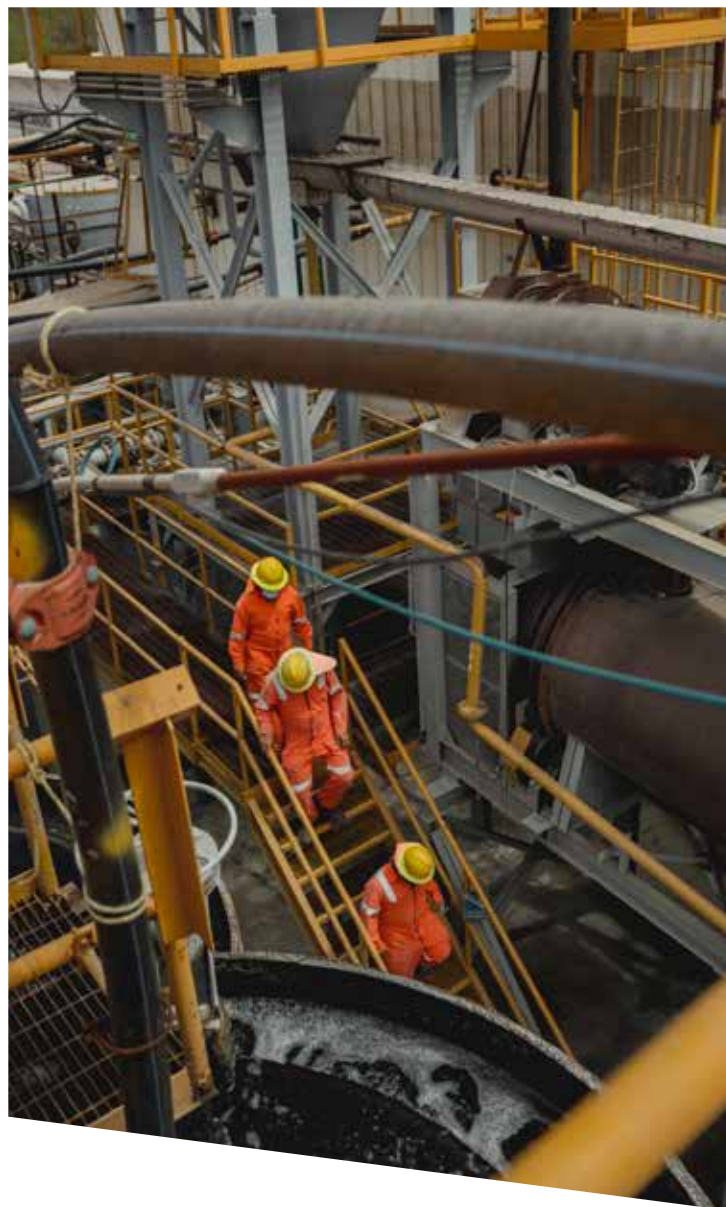


Daily processing capacity **4,500 tonnes**

DURING THE MINE OPERATION,  
(September 2012 - June 2018)

**EL GALLO PRODUCED**

**284,000.**  
gold equivalent ounces



### Compañía Minera Pangea

Residual Heap Leaching Production From 2018

YEAR	GOLD	SILVER	GOLD EQUIVALENT OUNCES*
2018	39,000	9,000	39,256
2019	16,233	8,398	16,394
2020	8,038	4,967	8,100
2021	3,543	7,044	3,644
2022	844	616	851



# About This Report



## We are pleased to present our 2022 Sustainability Report, which provides a comprehensive overview of Compañía Minera Pangea's operations from January 1 to December 31, 2022.

As a company committed to sustainable development, we aim to share our economic, environmental, social, and corporate governance performance with our stakeholders, including investors, suppliers, government entities, and civil society. This annual report reflects our commitment to transparency, a journey that began in 2015 with the publication of our inaugural report, and has continued through December 31, 2021, which marked the date of our last report. Since then, we continued working to enhance our sustainable management practices, and this report is a testament to our commitment to corporate social responsibility.

**In the preparation of this report, we have adhered to guidelines established by various organizations, including:**

- CEMEFI's **Socially Responsible Company Distinction**,
- **Global Reporting Initiative (GRI)** Standards,
- Mining Association of Canada **TSM Model**,
- The **UN Global Compact's** Communication on Progress reporting framework,
- **World Gold Council** Principles of Responsible Mining,
- **17 Sustainable Development Objectives Goals**

These guidelines and recommendations have been applied to ensure the completeness, consistency, and comparability of this report.

This report provides detailed insights into our environmental initiatives, encompassing areas such as water and waste management, emissions reduction, and environmental restoration. We also present our economic performance, covering financial aspects, investments, and our engagement with suppliers and customers. Additionally, we outline our social practices, including community involvement, occupational health and safety measures, and talent management. Lastly, we share our corporate governance endeavors, highlighting our commitment to business ethics, transparency, and risk management.

The data contained in this report has been collected, analyzed, and presented in a clear and easily accessible format for your review. It adheres to the content and quality standards set forth by the Global Reporting Initiative (GRI) in its core option. For further details, please refer to the cross-reference in the "Indexes" section.

We extend our gratitude to the Company's administrative and operational teams for their invaluable collaboration in obtaining the data presented in this report. We also acknowledge the diligent work of our strategic team in reviewing the reported information.

All values in this report are presented in U.S. dollars, based on the exchange rate of 20.5157 pesos per dollar, as published in the Official Journal of the Federation on December 31, 2021. Numbers in tables and text may be rounded to the nearest thousand.

## We appreciate

your interest in our company and our unwavering commitment to sustainability. Your feedback and comments on this document are highly valued. If you have any inquiries or proposals, please do not hesitate to contact María José Sepeda from the Social Responsibility and Institutional Relations team at [msepeda@mcwenmining.com](mailto:msepeda@mcwenmining.com).





## Independent Verification

Compañía Minera Pangea's 2022 Sustainability Report has undergone a limited audit in accordance with the International Standard on Assurance Engagements (ISAE 3000) set by the International Auditing and Assurance Standards Board (IAASB).

The verification of key indicators included in the Sustainability Report was conducted independently by Value Code, an independent organization. This verification process adhered to the Code of Ethics for Professional Accountants

and followed the international standards of independence established by the International Ethics Standards Board for Accountants (IESBA).

We want to assure our stakeholders that our reports have undergone meticulous and professional scrutiny, in compliance with international assurance standards. We remain dedicated to enhancing our sustainability and transparency practices and look forward to continuing this commitment in our future Sustainability Reports.

# Materiality

In 2022, we conducted an updated assessment of materiality, allowing us to gain insights into and prioritize current and future sustainability challenges. In performing this analysis, we followed the “Principles for Defining Report Content” outlined by the Global Reporting Initiative (GRI). These principles encompass sustainability context, stakeholder inclusiveness, materiality, and completeness.

According to the GRI standards, the materiality process involves identifying relevant issues that are considered significant by our organization’s governance and its stakeholders and have a direct or indirect impact on our ability to generate, sustain, or distribute economic, environmental, and social value for ourselves, our stakeholders, and society at large.

To conduct this analysis, we implemented a methodology that began with an initial mapping process. This mapping aimed to determine the critical issues that align with our business objectives and their relationship with sustainability standards set by the Global Reporting Initiative, the Sustainable Development Goals, the United Nations Global Compact, and the Guiding Principles outlined in ‘Towards Sustainable Mining’ (TSM)



“  
In Mexico, each job  
within the mining  
industry leads to  
the creation of an  
additional **3.8 jobs** in  
the broader economy”

To identify the important and relevant issues, we conducted a materiality assessment, taking into consideration the following factors:

- 1. Company Interests:** Our Company's interests were represented by the Strategic and Management Teams. They shared their concerns related to the initial mapping through personal interviews.
- 2. Internal Stakeholder Interests:** The interests of internal stakeholders, including our collaborators, suppliers, and contractors, were considered through an opinion survey.
- 3. External Stakeholder Interests:** The interests of external stakeholders were identified through an opinion survey for government liaisons, and through focus groups for the communities.

Based on this assessment, we identified the following material aspects across various dimensions:

### Corporate Governance:

- Identification and management of economic, environmental, and social impacts
- Business Ethics and Reputation
- Responsible business practices
- Economic, environmental, and social performance
- Anti-corruption
- Communication with stakeholders



### Economic Performance:

- Tax compliance
- Local presence
- Economic performance of the Company



### Social Performance:

- Human Rights
- Employment, training and income
- Health and Safety
- Relations and dialogue with the local community



### Environmental Performance:

- Environmental compliance
- Protection of biodiversity (flora and fauna)
- Water resources management
- Innovation and use of technology
- Energy efficiency



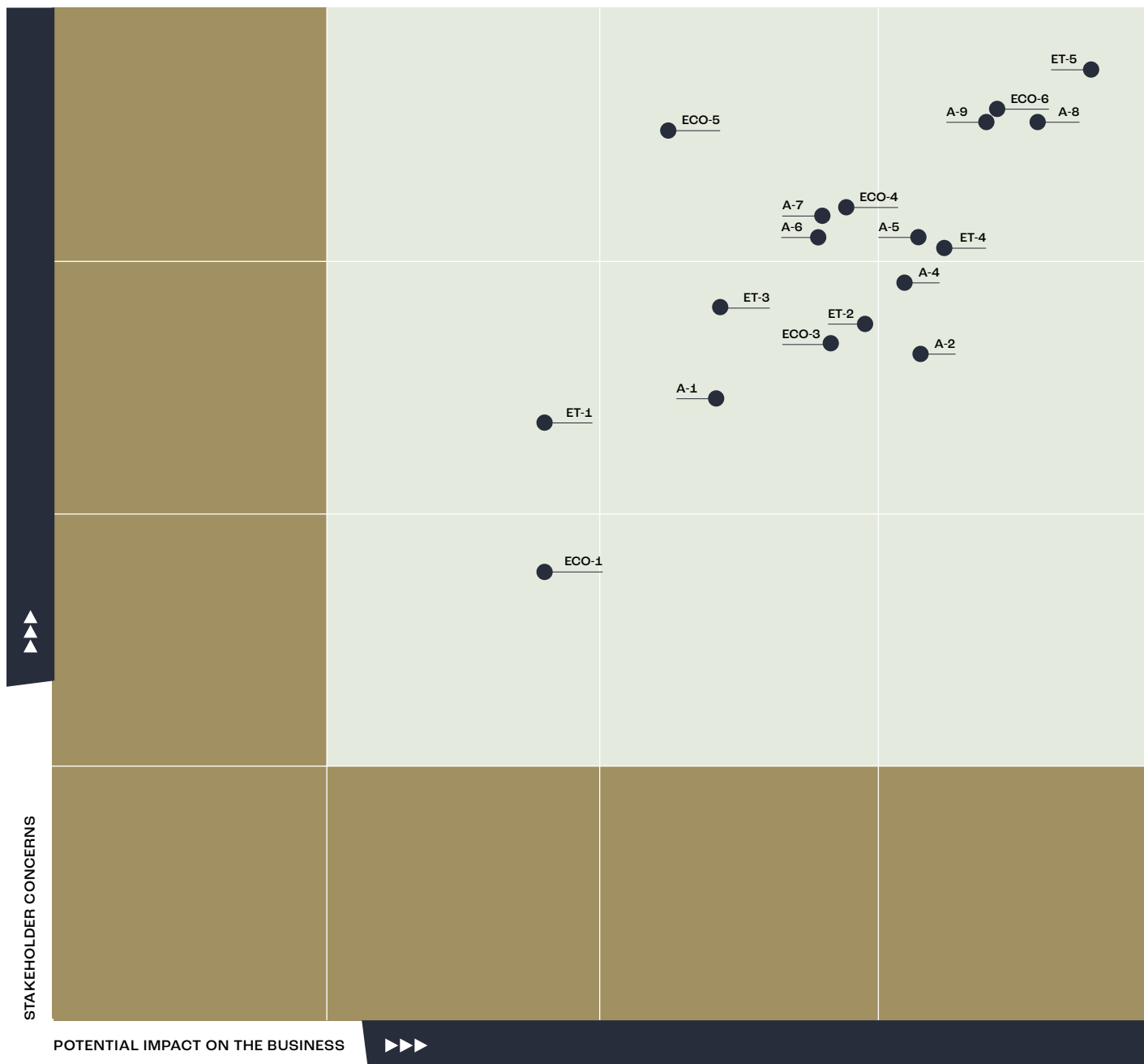
These aspects were carefully considered in our sustainability efforts, reflecting the priorities of both our organization and our stakeholders.



## Our most relevant matters

	ASPECTS	TOPICS	KEY	GRI
1	Ethics	Company ethics and reputation.	ET-5	102-16
2	Economic	Tax compliance.	ECO-6	207
3	Environmental	Biodiversity protection	A-9	304-2
4	Environmental	Protection and responsible use of water resources.	A-8	303
5	Economic	Anti-corruption training.	ECO-5	205
6	Economic	Financial sustainability.	ECO-4	201
7	Environmental	Compliance with environmental legislation	A-7	307
8	Environmental	Promotion and dissemination of environmental activities	A-6	0
9	Environmental	Reforestation	A-5	304-3
10	Ethics	Responsible business practices.	ET-4	102-20
11	Environmental	Measurement and reduction of Greenhouse Gases (GHG).	A-4	305
12	Ethics	Communication with stakeholders.	ET-3	102-21
13	Ethics	Training of values in the company.	ET-2	102-16
14	Economic	Impacts resulting from closing operations.	ECO-3	0
15	Economic	Future of the organization.	ECO-2	0
16	Environmental	Responsible waste disposal	A-3	306-4
17	Environmental	Environmental risk management	A-2	300
18	Environmental	Measurement and efficiency of energy consumption	A-1	302
19	Ethics	Formal channels for reporting ethical and human rights violations.	ET-1	102-17
20	Environmental	Relations with suppliers of goods and services.	ECO-1	204

This Sustainability Report also incorporates information required in the Communication on Progress under the United Nations Global Compact and our contribution to the Sustainable Development Goals.



# Corporate Governance







We are committed to upholding the highest corporate governance and sustainability standards, adhering to Environmental, Social, and Governance (ESG) recommendations and guidelines.

Our organization places a strong emphasis on continuously assessing our progress in achieving our business objectives. The Strategic Team promotes ethical and responsible conduct throughout the company. We achieve this by adhering to the Code of Business Conduct and Ethics, established by McEwen Mining and adopted by all our subsidiaries. This code is an integral component of our sustainability management model.





## Sustainability Management and ESG Commitment

We work with a sustainable and responsible approach in all our operations, which is fundamental in ensuring the company's resilience, transparency, and long-term viability. We have developed a culture of sustainability that aligns with our business objectives and have implemented a profitability-driven strategy for investors, promoting working conditions that harmonize with our employees, communities, and the environment.

### We are aligned with the **United Nations Global Compact.**

The Company's Social Responsibility Policy reaffirms the significance of our operations and our commitment to mitigating the risks associated with our activities. In this context, we diligently strive to minimize our environmental and social impacts, safeguard the health and safety of our employees, and fully uphold human and labor rights.

Guided by ESG (Environmental, Social, and Governance) principles, we have aligned our sustainability strategy with the United Nations (UN) 2030 Agenda. Every day, we dedicate ourselves to operating in a more sustainable manner, fostering the advancement of our stakeholders while safeguarding our Company's future. To this end, we have integrated sustainability objectives into our financial, social, and environmental performance indicators, communicating transparently the impact of our operations and the progress achieved in addressing both current and future challenges.

We continuously assess our sustainability practices, benchmarking them against key international initiatives and those relevant to our industry. We maintain alignment with the United Nations Global Compact Principles and adhere to the recommendations set forth by the Mexican Center for Philanthropy's Socially Responsible Company Distinction evaluation. We also reference the Mining Association of Canada's (MCA) Towards Sustainable Mining Principles and the World Gold Council's Responsible Gold Mining Principles.

By adopting an ESG approach to corporate governance and sustainability management, Compañía Minera Pangea underscores its commitment to creating enduring value for investors, employees, communities and the environment, to consolidating its position as a mining industry leader in sustainability and social responsibility, and to reporting its progress in accordance with the standards established by the Global Reporting Initiative (GRI).

# Our Culture

Organizational culture is fundamental to building a sustainable and responsible business model. As a company, we understand the significance of embracing ESG (Environmental, Social, and Governance) practices in our corporate governance, as well as the importance of communicating our commitment to all our stakeholders.

In 2021, we updated our mission, vision, and values. Throughout 2022, we dedicated ourselves to strengthening our organizational culture through a values training program provided to all employees. This program included the foundational principles for shaping and refining our culture, along with examples of how to embody these values in our daily lives.

## MISSION

Our Company's mission is to operate safely and respectfully towards our stakeholders, as we strive for continuous improvement throughout the responsible and sustainable development of our mining projects.

To accomplish this, we adhere to rigorous ESG standards in managing environmental, social, and governance risks, ensuring that our actions align with regulations and the expectations of our stakeholders.

## VISION

We aspire to be a profitable company ethically committed to the economic and social advancement of our region of operation.

We recognize that long-term, sustainable growth requires the balancing of our financial objectives with our impact on the environment and the neighboring communities. This necessitates a robust corporate governance system that is transparent, accountable, and inclusive of stakeholders in the decision-making process.

## Values:

### Safety

We prioritize the well-being of our colleagues, even in the absence of oversight. We investigate root causes and foster a culture of safety and health leadership through employee participation.



### Ethics

Our actions consistently align with the truth, reflecting coherence and integrity.



### Environment

We conduct our operations with utmost regard for the environment, focusing on conservation and sustainable development practices. We are committed to protecting the natural world.



### Respectful Treatment

We approach interactions with others in the manner we wish to be treated. We listen actively, embrace diversity, and offer fair, respectful treatment, with kindness and empathy.



### Social Responsibility

We are engaged and proactive in our efforts to improve the quality of life for the communities around us, our employees, and all our stakeholders.



### Innovation

We encourage innovation throughout every department of our company, adopting it as a means of continual improvement across all facets of our operations.





# Strategic Team

## **ADRIÁN BLANCO,** Director America and México

Adrian Blanco has a strong international track record across various industry sectors, having held executive positions in Mexico, the United States, Peru, and Argentina. As the CEO of Compañía Minera Pangea, he has skillfully guided the transformation toward enhanced operational discipline, the adoption of best business practices, and improved financial profitability. Adrian Blanco is an advocate for industrial safety, innovation, and competitiveness, and plays a pivotal role in shaping corporate governance policies aligned with ESG criteria. His leadership has facilitated the expansion of McEwen Mining in both Mexico and the United States.



## **SANTIAGO GRANDE,** General Manager - México

Santiago Grande is a mining operations expert with a profound understanding of day-to-day management across all aspects of mining procedures. His responsibilities encompass ensuring compliance with relevant regulations and establishing operational guidelines that enhance the Company's performance and profitability. Additionally, Santiago is the main promoter of employee health and safety and the preservation and conservation of the environment, aligning with ESG objectives and corporate governance policies.



## **ALEJANDRO MORALES,** Controller

Alejandro Morales brings nearly two decades of experience in financial resource management and auditing to his role. He is an expert in finance, accounting, and tax matters, responsible for ensuring compliance with the highest standards in accounting regulations, budget development, and vendor management. Morales is an active member of the Mexican Institute of Public Accountants and has actively participated in financial reporting and auditing standards committees. His commitment to transparency and ethical corporate governance strengthens the Company's reputation and sustainability.





## **MIGUEL BARAHONA,** Project Fenix Manager

Miguel Barahona is a professional with over 30 years of experience in various facets of the mining industry, encompassing project development, production, and processing in both underground and open pit mines. As manager of the Fenix Project, he has coordinated comprehensive efforts to optimize every aspect, spanning from exploration to production, and including business development, feasibility studies, and mine planning. His leadership ensures the responsible and sustainable management of resources.



## **HERNÁN BELTRÁN,** Environmental, Health and Safety Manager.

Hernán Beltrán is an expert in EHS within mining operations and governmental regulatory institutions. He oversees the development, implementation, and coordination of the actions necessary to uphold safety, health, and environmental policies, standards, and regulatory guidelines in alignment with ESG principles. Hernán has led the achievement of significant recognitions for the Company, such as the Clean Industry and Safe Company Certifications by PROFEPA and STPS, respectively.



## **RAMÓN DUARTE,** Technical Services and Geology Manager

A graduate of the School of Geology at the University of Sonora, Ramón Duarte has 35 years of experience in geological exploration, spanning from initial stages to the operation and development of mining companies in Mexico and Argentina, having collaborated with both national and foreign companies.

In his role as the Technical Services and Geology Manager, Ramón champions a supportive approach to teamwork, discipline, and order, with a focus on the ongoing pursuit of new opportunities that provide for improved work environments.

# Ethics and Integrity

We have adopted a compliance management system founded on principles of ethics and integrity. This system aligns with the core principles and values outlined in our Code of Business Conduct and Ethics.





We aspire to be recognized as an organization that operates with honesty, respect, harmony, and open communication with all stakeholders.

Our Code of Business Conduct and Ethics, available on our website ([www.mcewenmining.com](http://www.mcewenmining.com)), serves as a comprehensive guide for exemplary conduct expected of all employees, managers, and shareholders. This code outlines proactive measures for the prevention and identification of unacceptable behaviors in our organization. Recognizing that not all potential scenarios can be anticipated, we have established a procedure to address any arising situation. This involves gathering all relevant information, setting up reporting mechanisms, and ensuring anonymity when necessary.

Our commitment extends to adhering to all relevant laws and international standards on ethics, sustainability, and social responsibility, in all aspects of our operations. We reject any form of corruption, including the acceptance of gifts, gratuities, or bribes, and refrain from offering benefits to government officials or political parties, thereby upholding transparency and anti-corruption standards.

In 2022, our adherence to these principles was reflected in our operations, with no allegations or instances of corruption, nor any fines or sanctions related to corruption, monopolistic practices, or anti-competitive behavior. This underscores our dedication to our Code of Business Conduct and Ethics and compliance with the Foreign Investment Law.

By integrating these practices into our corporate governance, we align with ESG guidelines, maintain stakeholder trust, and ensure sustainable, responsible growth.



In 2022 there were no allegations or instances of corruption, nor any fines or sanctions related to corruption, monopolistic practices, or anti-competitive behavior.

## Ethical Risk Management Model

At our Company, we implemented a robust compliance management model to assess and manage ethics and integrity risks, consisting of three key components:



### Prevention

Our hiring policies and processes, including thorough communication of our Code of Business Conduct and Ethics and International Business Conduct and Anticorruption Policy, are designed to align all stakeholders with our ethical and legal standards.



### Evaluation

Employees participate in performance evaluations that focus on their understanding and adherence to our ethical codes and policies. These evaluations are crucial for identifying improvement areas and ensuring ongoing compliance.



### Sanction

Adherence to our Code of Business Conduct and Ethics is a mandatory employment condition. Non-compliance can lead to termination, and violations of our International Business Conduct and Anticorruption Policy may result in termination of contracts with various business partners.

In 2022, in line with ESG recommendations on corporate governance, we enhanced our focus on ethics, human rights, and equity through a comprehensive training program. This initiative was aimed at educating our staff on essential topics, ensuring ESG compliance and fostering an inclusive and responsible work environment.

We maintain a culture of ethics and transparency in all operations, providing independent and auditable tools to address any potential violations. Our Ethics Line, operating on principles of confidentiality, active listening, and security, is a testament to this commitment.

To ensure its accessibility, the Ethics Line is promoted across all organizational communication channels

and introduced to business partners at the onset of any relationship. Our whistleblower review procedure, operated by a third party and overseen by McEwen Mining corporate in compliance with the SOX Act, ensures impartiality.

In 2022, we recorded no incidents related to human rights violations, labor issues, extortion, discrimination, or forced or child labor, and no complaints were filed with our Ethics Line.

By implementing and actively promoting our ethical guidelines and aligning with ESG principles, we reinforce shareholder and stakeholder trust. These efforts highlight our dedication to an ethical and responsible corporate culture.

The Ethics Hotline is available 24/7, through the telephone reporting system at 866-420-4208 or through our website at <http://mcewenmining.ethicspoint.com>.

“

In Mexican mining, salaries are on average **37% higher** than the national standard, reflecting our commitment to fair compensation



## Value Chain Management

Our management system integrates policies that adhere to ESG corporate governance guidelines, contributing to a responsible supply chain. We are dedicated to responsible mining practices and rigorously apply ESG principles across our entire value chain. Our Code of Business Conduct and Ethics, along with the Supplier Code of Conduct, are mandatory for all suppliers, visitors, and business partners, with non-compliance potentially leading to termination of business relations.

Our Procurement Procedure ensures suppliers respect human rights, comply with legislation, and secure the necessary environmental permits. Regular evaluations and updates help us manage value chain risks and maintain operational continuity.

### Our supplier policies focus on:

- 1 Hiring suppliers through transparent practices aligned with our business objectives.
- 2 Prioritizing local suppliers known for their quality, expertise, and experience.
- 3 Providing health and safety training to suppliers
- 4 Safeguarding confidential information received from suppliers and contractors.
- 5 Preferring suppliers recognized for their social and environmental responsibility.

As of year-end 2022, we recorded no corruption incidents or violations of the Supplier Code of Conduct in our value chain, underscoring our commitment to ethical compliance.





## Stakeholders

We recognize the vital role our stakeholders play, encompassing all individuals and organizations potentially impacted by our operations. Committed to sustainable and responsible practices, we strive to maintain open and effective communication, to grasp their concerns, interests, and expectations. Our goal is to establish transparent communication channels, fostering the building of lasting relationships, based on trust and mutual respect, in line with ESG principles.

We maintained last year's initiatives, which were spurred by the COVID-19 pandemic, and shaped our stakeholder communication strategies.

We continued with virtual meetings involving

the McEwen Mining corporate team, to address concerns from employees and communities. Our efforts also included invitations to communities, government entities, industry peers, and civil society organizations, who participated in our employee and community training programs and witnessed our progress in environmental reclamation.

These steps align us with ESG corporate governance guidelines and ensure we maintain robust communication with our stakeholders. Moving forward, we will keep evaluating and enhancing our communication methods, to encourage open and constructive dialogues with all stakeholder groups.

## Communication With Our Stakeholders.

STAKEHOLDERS	OBJECTIVES	MECHANISMS	PARTICIPATION
<b>Shareholders, Investors, and Corporate</b>	<ul style="list-style-type: none"> <li>• Drive growth with profitability and value generation</li> <li>• Provide timely financial and operational information</li> <li>• Demonstrate long-term value creation</li> </ul>	<ul style="list-style-type: none"> <li>• General management reports</li> <li>• Executive boards</li> <li>• Sustainability report</li> <li>• Online Communications</li> </ul>	<ul style="list-style-type: none"> <li>• Provide clear and timely updates on the business situation, challenges, and results</li> </ul>
<b>Collaborators</b>	<ul style="list-style-type: none"> <li>• Keep employees informed and engaged</li> <li>• Promote a safe, healthy work environment and professional development</li> <li>• Ensure adherence to our ethical codes and human rights commitments</li> <li>• Communicate our community support actions</li> </ul>	<ul style="list-style-type: none"> <li>• Internal and corporate meetings</li> <li>• NotiPangea newsletter</li> <li>• Training and development programs</li> <li>• Internal communication platforms</li> <li>• Social networks</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce ethical guidelines at start of employment</li> <li>• Daily 5-minute safety meetings</li> <li>• Regular updates on benefits and activities</li> <li>• Communicate community and volunteer involvement</li> <li>• Implement training and educational programs</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Build strong, trusting relationships with local communities</li> <li>• Address their concerns</li> <li>• Ensure positive regional impact</li> </ul>	<ul style="list-style-type: none"> <li>• Community meetings</li> <li>• Public consultations</li> <li>• Community participation programs</li> <li>• Collaboration with local leaders</li> <li>• Receipt of support requests</li> <li>• Social networks</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain respectful, collaborative relationships</li> <li>• Respond to community requests</li> <li>• Promote community welfare activities</li> <li>• Respect local culture</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Ensure suppliers and contractors meet our quality, ethics, and sustainability standards</li> </ul>	<ul style="list-style-type: none"> <li>• Service contracts</li> <li>• Purchasing policies</li> <li>• Due diligence assessment</li> <li>• Business meetings</li> <li>• Training</li> <li>• Sustainability report</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with technically capable, ethical suppliers</li> <li>• Promote our safety and sustainability culture</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>• Comply with laws, regulations, and policies</li> <li>• Maintain positive, transparent relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Permits and licenses</li> <li>• Sustainability report</li> <li>• Reports and documentation presentation</li> <li>• Mine event invitations</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure valid permits</li> <li>• Maintain cordial, respectful relations</li> <li>• Support in addressing business challenges</li> </ul>
<b>Civil Society Organizations</b>	<ul style="list-style-type: none"> <li>• Show our commitment to sustainability</li> <li>• Collaborate on projects benefiting the environment and society</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings with NGO representatives</li> <li>• Participation in sustainability forums and events</li> <li>• Collaboration in joint projects</li> </ul>	<ul style="list-style-type: none"> <li>• Manage benefits for civil society</li> <li>• Engage with NGOs and business chambers</li> </ul>

# Economic Performance







In today's economic climate, organizations, including ours, are navigating challenges that significantly impact budgets. Key factors like inflation and dollar fluctuation are at the forefront. In response, we're actively seeking the most effective solutions to these challenges while keeping our focus on financial viability, strengthening our supply chain, and promoting interdependence within our team.

In Mexico, our industry remains a vital contributor to revenue generation. We're committed to direct investment, job creation, and enhancing a supply chain that yields greater benefits and improved incomes, from wages and salaries to tax compliance. Our efforts result in substantial economic advantages for all stakeholders.

Value Added Tax (VAT) recovery and efficient cash flow management have emerged as essential tools for business stability and success, especially in uncertain times. Maintaining transparency, collaboration with authorities, and effective resource management are crucial for future progress.

**In this section, we delve into key aspects of our organization's economic performance:**

### **1 Company's Economic Performance**

We evaluate our financial performance and how our activities generate short- and long-term value for our shareholders, employees and other stakeholders.

### **2 Positive Local Impact**

We examine the influence of our mining operations on the socio-economic development of local communities, including job creation, support for local suppliers, and investment in community projects.

### **3 Tax Compliance**

Our commitment to fulfilling tax obligations is highlighted, underscoring how our tax contributions aid sustainable development in the regions where we operate.





## Message from Alejandro Morales

### **Dear Friends,**

In these times of reduced production, our commitment to effectively managing our monetary resources presents a significant challenge. Striving for strategic balance and the careful allocation of expenses have become essential daily tasks.

Our priority has been fostering strong commercial relationships with strategic suppliers, to secure the best prices, quality, and services.

We especially focus on suppliers within the region, ensuring the economic benefits remain local. Despite significant and challenging changes in the laws governing the mining industry, our main shareholders continue to show confidence and support in our operations. Their trust in our strategic and operational team underscores the long-term viability of our company.

Our recent audits on the Company's processes and internal controls have been completed without any issues, leading to exemplary results. This success reinforces confidence within our Corporate structure.

Compañía Minera Pangea has long been a principal source of income for many of our employees. Their belief in the future projects of the Company and their pride in being part of a values-driven and commitment-focused organization are fundamental to our success.

**Alejandro Morales**  
*Controller*

“

Compañía Minera Pangea has become the primary source of income for years for many of our collaborators.”



# Distributed Economic Value

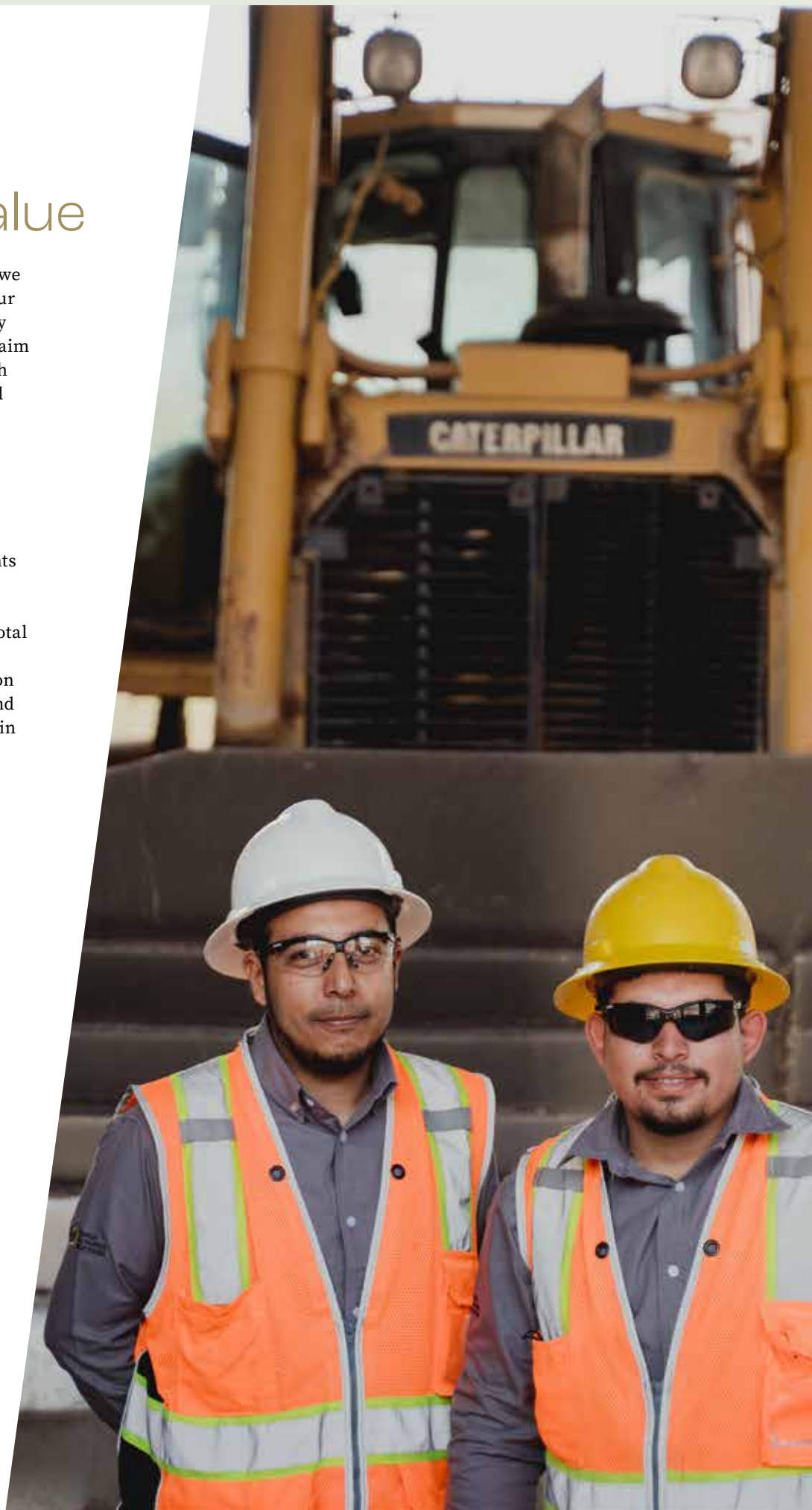
Committed to financial responsibility, we ensure transparency and integrity in our accounting and tax practices, upheld by both external and internal audits. Our aim is to drive sustainable economic growth that yields positive impacts on the local economy. This encompasses a range of financial contributions, including:

- Employee salaries
- Payments to suppliers
- Operating rights and concessions
- Taxes and other government payments
- Community investments

In 2022, we successfully distributed a total economic value of 7,818,670 USD. This achievement underscores our dedication to creating value for all stakeholders and promoting inclusive, equitable growth in the regions where we operate.

2022 DISTRIBUTED  
ECONOMIC VALUE

**7,818,670** USD





# Shared Value

In the first half of 2022, we operated based on residual leaching, which ceased in the latter half of the year. This strategic decision was part of our annual plan to ensure the financial viability of the Company, utilizing our resources responsibly. Effective cash-flow management has been crucial, leading to stringent evaluation and control of departmental spending. This financial discipline has optimized our budget, maximized credit terms with suppliers, and supported our Project Fenix, community relations, and environmental reclamation efforts.

## Suppliers

Our suppliers are integral to our supply chain, providing essential goods, services, and logistical support. To foster sustainable relationships, we prioritize collaboration and mutual understanding. Despite inflation challenges, our value chain remains optimistic about our future business phase.

We apply a rigorous selection process for suppliers, focusing on fiscal responsibility, social obligations, and compliance with ethical and anti-corruption standards.

## Collaborators

We are proud of our skilled and motivated team. Committed to their economic and professional growth, we offer salaries and benefits above legal

requirements, ensuring equity among genders with similar roles.

Our employees' contributions positively impact their communities, though we recognize the challenges posed by current economic policies, including increased tax and labor burdens. Balancing these factors to minimize employment risks is a key focus.

## Communities

In 2022, we invested 115,000 USD in education, health, and infrastructure projects, contributing to the development of our communities. This investment reflects our commitment to supporting the areas where we operate.

PAYMENTS TO OUR  
SUPPLIERS IN 2022

15.6 usd million

→ 419 suppliers	162 local 208 regional
-----------------	---------------------------



Communities

115,000 USD  
invested in

EDUCATION / HEALTH / INFRASTRUCTURE  
contributing to the development of our communities.

# Tax Compliance

Our commitment to accountability and transparency in tax matters is key to reinforcing stakeholder trust and ensuring robust corporate governance. We adhere to SOX guidelines for all accounting and tax records and engage in voluntary periodic audits by the McEwen Mining Audit Committee and external audits by EY. These evaluations ensure the integrity of our financial statements and compliance with relevant legal frameworks and regulations, including those set by the U.S. Securities and Exchange Commission (SEC).

Fulfilling our tax responsibilities contributes to the country's economic progress, generating resources invested in education, infrastructure, and health projects. In 2022, we met all our tax obligations as per the SAT regulations, with no audit observations, fines, or penalties related to our tax and legal duties. It is also noteworthy that we do not benefit from any financial support, subsidy, or government grant for investment, research, or development.

**In 2022, we met all our tax obligations with the SAT, with no audit observations.**



2022 marked significant achievements in Value Added Tax (VAT) recovery and cash flow management, in a complex economic and political context. Successfully recovering 14 months of VAT, including arrears from 2021, highlights our transparency in this process. Our collaboration and consistent engagement with the SAT were crucial in navigating these challenges and achieving favorable outcomes for the Company.

As we close 2022, we reaffirm our dedication to fiscal responsibility and transparent operations. For detailed information, please visit the Audit Committee charter on the McEwen Mining website, under the Corporate Governance section.



# Economic diversification: Pangea Laboratory

In response to an evolving mining sector, we remain dedicated to sustainability and overcoming challenges. The support and collaboration of our corporate team have been pivotal in advancing our projects and exploring new business opportunities. A key strategy for business continuity today is revenue diversification.

To this end, we have significantly enhanced our laboratory capabilities, leveraging our team's expertise and adhering to Mexico's top laboratory standards. This effort has led to recognition by the Mexican Accreditation Entity (EMA). Our laboratory's excellence was confirmed during the Assay Contest by "Geostats Pty Ltd," an Australian mining specialist. We conducted analyses on

core samples for gold, copper, lead, zinc, sulfur, nickel, and silver, and additional tests for gold and silver on coal samples. The results were excellent, obtaining 44 accurate results out of 44 assay samples.

Throughout 2022, Pangea Laboratory provided services to Gold Bar and Black Fox, McEwen Mining operations in the USA and Canada. In 2023, we plan to expand our services to a broader range of companies in the sector. This expansion is aimed at generating benefits for our Company and potentially for other firms in Mexico and internationally, all while maintaining confidentiality and competitiveness for our clients.



# Building Sustainable Community Relationships







We recognize the significance of building and nurturing enduring relationships with the local communities where we operate. Our presence in these areas reflects a profound commitment to driving economic and social advancement, providing employment opportunities, and aiding in community development. Our influence extends far beyond mining operations, creating transformative impacts on people's lives.

**Aligned with ESG and Global Reporting Initiative (GRI) principles, we focus on the following key areas in our social performance management:**

### Employment and Income

We provide quality employment and fair compensation. Regular assessments of our labor and wage policies ensure they remain competitive and meet the expectations of our workers and the community.

### Human Rights

We respect and actively uphold human rights in all our operations, aligning our practices with international human rights standards.

### Occupational Health and Safety

Our operations meet and exceed occupational health and safety standards. We conduct regular training for employees and foster a culture of safety throughout the organization.

### Community Relations and Development

Our initiatives range from local development projects to educational and health programs. We engage closely with local communities to ensure our activities yield sustainable, positive outcomes.







## Message from Santiago Grande

### **Dear Colleagues**

2022, like every year, brought its achievements and challenges. Notably, in the first quarter, we experienced two disabling accidents. Thankfully, the employees involved are now in perfect condition. These incidents prompted us to pause and critically reassess our daily operational safety protocols.

Safety is a fundamental value at Compañía Minera Pangea, deeply ingrained in our culture. Facing each challenge with a mindset for team growth, we concluded 2022 with 290 days without Lost Time Accidents.

Our commitment extends beyond safety as we continue to work to ensure that we meet the highest standards of ethics, social responsibility, and environmental care. In 2022, we enhanced our Social Responsibility strategy with more ambitious goals, aligned with our corporate values.

This approach brings us closer to fulfilling the United Nations Sustainable Development Goals, the Global Compact Principles, and the UN Women Women's Empowerment Principles, reinforcing our pledge to foster more equitable, supportive, respectful, and safe societies.

Compañía Minera Pangea's team sees each challenge as an opportunity for reinvention. This impetus enabled us to meet our remediation area objectives, a noteworthy accomplishment.

We've also made significant strides in integrating a gender perspective into our organizational culture, partnering with supportive organizations. Our focus on attracting female talent stems from our understanding of the value this brings to both the Company and society.

The year 2022 marked a significant transition for Compañía Minera Pangea as we ceased residual leaching. Yet, with every ending comes a new beginning. We are confident that Project Fenix will soon materialize, opening up even more opportunities for our stakeholders.

I extend my deepest gratitude to the Compañía Minera Pangea team for their perseverance and dedication through challenging times. Their resilience has been instrumental in turning these challenges into positive outcomes.

Special thanks to McEwen Mining for their unwavering support and trust in our Mexican team, which fosters a strong sense of belonging and respect for our workplace.

Sincerely,  
**Santiago Grande**  
*General Manager Mexico*

“

2022 was a transformative year for Compañía Minera Pangea, marking the end of residual leaching operations.”

# Our People

At Compañía Minera Pangea, we take pride in our relationship with our employees. We focus on respecting their fundamental human rights and valuing their unique skills and talents as part of our commitment to our team's sustainable well-being.



## Human Resources Strategy: Generating Value through Employment

Our human resources strategy is geared toward creating value. We promote internal talent, encourage local hiring, and provide a safe and stimulating work environment. This approach is designed to foster both human and professional development.

## Training and Development Opportunities.

We support our employees' growth based on their roles, performance, and commitment to their and the Company's future. To this end, we

offer various training and educational opportunities for personal and professional growth.

## Equal Opportunity and Diversity

We are committed to equal opportunities for all, irrespective of any distinctions. Valuing diversity, we foster inclusion and respect through values-based training programs and strongly oppose any form of discrimination.

## Sharing Talent

Mexico has played a prominent role within McEwen Mining's operations. Gibrann Lopez and Alfredo Arredondo

are currently involved in regional roles at Compañía Minera Pangea and Gold Bar in IT and financial planning. Omar Gallardo provides database management services at Los Azules and Armando Contreras is also a geologist at Gold Bar. In addition, our procurement department collaborates across Nevada and Black Fox sites, showcasing the export of Mexican talent to other locations and helping us maintain a diverse and talented workforce that will support us in the future at Project Fenix.





“

According to the Mexican Chamber of Mines, the **mining sector generates over 379,000 direct jobs and 2.3 million indirect jobs**, playing a key role in Mexico's employment landscape.”

#### Compliance with Legislation and International Principles

We adhere to all labor laws and voluntarily embrace the United Nations Global Compact Principles. We do not condone child labor, forced labor, or discrimination and we expect our business partners to uphold these standards. In 2022, there were no reports or detections of violations of human or labor rights, discrimination, or child labor.

#### Open communication and positive working relationships

Open and transparent communication at all levels is fundamental to our operations. We respect collective bargaining principles and maintain positive relationships with union representatives, contributing to a harmonious and collaborative workplace.

## Employment

Our objective has been to maintain employment levels by optimizing expenses and initiating specific activities during this transition period.

Despite not being in a production phase currently, throughout 2022 we focused on retaining key personnel in anticipation of the upcoming Fenix operation. Additionally, we are planning to hire and train new personnel suited for the new operational requirements.

As of the end of 2022, our workforce comprised 103 employees, marking a 7% reduction from 2021 and representing the lowest figure in the last five years. Among our employees, 84 have open-ended contracts, and 19 are on fixed-term contracts. Notably, 87% of our workforce is from

our region. In 2022, we hired two women, bringing female representation to 14% of our total employees.

Our labor retention rate for 2022 was 77%. The reduction in staff was primarily due to the work stoppage, with half of our employees choosing to leave the Company, receiving compensation above the legal minimum wage. The other half engaged in new activities within the Company.

Additionally, 50 employees concluded their fixed-term contracts, which were not renewed. All departing employees were compensated beyond legal requirements, and many expressed interest in rejoining the Company with the commencement of Project Fenix.



### Collaborators at Year-End (2018-2022)

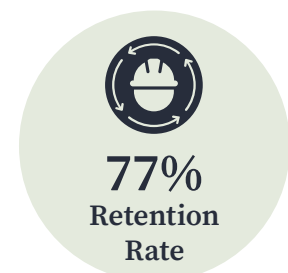
GENDER	2018	2019	2020	2021	2022
Men	125	2	2	8	89
Women	12	9	11	13	14
Total	137	111	133	111	103

### Collaborators per State

STATE	PERMANENT	TEMPORARY	TOTAL
Sinaloa	71	19	90
Sonora	8	0	8
Coahuila	2	0	2
Chihuahua	1	0	1
CDMX	1	0	1
Jalisco	1	0	1
Total	84	19	103

### 2022 Hirings by Age and Gender

AGE GROUP	WOMEN	MEN	TOTAL
Under 30	2	5	7
30 - 50	0	8	8
Over 50	0	4	4
Total	2	17	19







## Compensation and Benefits, Investing in Our Team

At Compañía Minera Pangea, creating a healthy and supportive work environment is key. Our comprehensive approach to compensation and benefits is a testament to our dedication to the personal and professional well-being of our employees and their families. We aim to enhance their financial and emotional welfare, thereby improving their productivity.

### Salary Policy and Benefits

Our salary policy aligns with market trends and is benchmarked against the industry average for competitiveness. Our benefits package includes social security, paid vacations, Christmas bonuses, weekly breaks, maternity and paternity leave, disability and invalidity coverage, and profit-sharing. Some employees also have access to life and major medical insurance depending on their roles and associated risks.

In 2022, we updated our salary tabulator with assistance from Best Business Consulting Group, ensuring our remuneration remains fair

and competitive. This review happens annually, comparing our wages with the average salaries of the mining industry in Mexico.

### Family Benefits and Work-Life Balance

We extend substantial benefits to our employees' families, offering access to top-tier health services from institutions like Laboratorios Delia Barraza, Salud Digna, Odontostetic, Dental Clinic, and Instituto Oftavisión.

Emphasizing work-life balance, we support SDG 5 - Gender Equality, by providing extended paternity leave and financial support for the birth of new family members, helping to reduce the wage gap and fostering an inclusive workplace.

### Family Benefits and Work-Life Balance

The health and safety of our team are paramount. We maintain strict COVID-19 prevention measures, including regular testing of all employees and visitors.

Our policies align with various global standards, including the Sustainable Development Goals (SDGs), the United Nations Global Compact, the Mining Association of Canada's Towards Sustainable Mining (TSM) Model, and the World Gold Council's Responsible Gold Mining Principles (RGMP). The RGMP recommends employee benefits exceeding legal requirements.



## Development of Our Team

At Compañía Minera Pangea, we believe the key to sustainable growth lies in nurturing the talent and development of our employees. Despite the challenges of 2022, we have built a solid foundation for our workforce through inclusive and sustainable policies.

### Training and Professional Development

Our commitment to our employees' training and continuous development is a testament to this belief. In 2022, our training program was centered around a values campaign delivered by our employees. Additionally, we are in the process of implementing a scholarship policy to support employees pursuing graduate studies, aligning their academic and career aspirations with the Company's growth and performance goals.

In the last quarter of the year, we conducted the 2022 performance evaluations and set objectives for 2023. Thirty percent of our employees were evaluated on seven corporate objectives and individual area goals. The new annual training and development plan, to be established in 2023, will build on recent lessons learned and incorporate necessary certifications and specialized training for the next project phase.

In 2022, our training program was driven by a values campaign delivered by our employees.



## Years-of-Service Award

Recognizing the loyalty and experience of our employees is fundamental. We value their commitment and dedication, as evidenced by their years of service with us. Employee tenure is a vital indicator of job satisfaction and organizational stability.

A noteworthy example is Otoniel Chávez, who celebrated his twentieth anniversary with us in 2022. His dedication and commitment stand as an inspiration to our team and an example for the stability and positive work environment at Compañía Minera Pangea.



## Well-being at Work

Our comprehensive approach to employee development is underpinned by a commitment to their overall well-being. Echoing the World Health Organization's definition, we aim to foster a work environment that supports physical, mental, and social well-being.

### 2022 Workplace Wellness Strategy

In 2022, we reinforced our workplace wellness initiatives, focusing on financial health, education, celebration of key moments, and healthcare.

#### Financial Health

We conducted a personal finance workshop based on the 50-20-30 rule, enhancing our employees' financial management skills and promoting women's active participation in building a more equitable and sustainable society.

#### Education

In April, we celebrated the graduation of seven employees who completed their high school education through our internal Plan y Carrera program, in partnership with ISEA.

#### Celebrations

We observed special occasions like Mother's Day, Father's Day, Miners' Day, and Christmas. These celebrations help strengthen our community spirit and show appreciation for each team member's contribution to the Company.

#### Health

Throughout the year, we ran various health campaigns. This included visual health campaigns, flu and dengue prevention efforts, and partnerships with IMSS for comprehensive medical services like glucose and blood pressure check-ups. Notably, the "Ver(te) Mejor" (See(you) Better) campaign with the Oftavisión Institute was a success, benefiting 29 employees and community members.





## Training in Values

At Compañía Minera Pangea, we recognize that our core values are foundational to our identity and guide our actions. To reinforce these values among our employees and cultivate a positive, productive, and sustainable work environment, we conducted an intensive training campaign throughout 2022. This initiative was focused on embedding our values of Safety, Environment, Ethics, Social Responsibility, Innovation, and Respectful Treatment in every aspect of our operations.





## 100% Attendance for Training in Values

Emphasizing the significance of these values, we held monthly training sessions led by internal leaders from each area, as well as by long tenured and experienced employees. These sessions were instrumental in reinforcing our organizational culture and ensuring that our values are ingrained in our day-to-day activities.

### Training in Values: Active and Participative Learning

Our values training in 2022 was enhanced by interactive dialogue tables and participatory dynamics, creating an engaging learning environment. A notable feature of the campaign was the closing event, which was attended by employees across all areas, various department managers, and special guests including Bill Shaver, Chief Operating Officer; Adrián Blanco, Director - America and México Operations; and Edgar Niebla, Operative Manager of AccionaRSE. They emphasized the importance of such activities in nurturing a strong, unified organizational culture. The Values 2022 Campaign concluded successfully with 10 internal trainers and full participation from our collaborators.

## Human Rights and Due Diligence

Our commitment to the United Nations Global Compact has led us to rigorously evaluate our compliance with its ten principles, enriching our approach to human rights and due diligence. This commitment extends beyond policy compliance, providing access to essential training resources that contribute to a sustainable, equitable, and respectful work environment.

Our human rights training equips employees with the necessary knowledge and tools to identify and address potential human rights risks in our operations and stakeholder interactions. Concurrently, due diligence training enables us to proactively mitigate these risks, guiding our actions towards upholding and promoting human rights.

### Training in Values

MONTH	VALUE	INSTRUCTOR
May	 Safety	Fernando Arellano
June	 Environment	Ricardo Sandoval
July	 Ethics	Alejandro Morales, Margarito Mendoza y Miguel Sánchez
August	 Social Responsibility	María José Sepeda
September	 Innovation	Cristina Beltrán, Mirza Calderón y Ramón Duarte
October	 Respect	Dulce López.

This commitment transcends employee training, with directors and managers playing a crucial role in fostering a culture of respect and responsibility at all levels of the organization. Comprehensive understanding of human rights and due diligence among leadership is vital. This training benefits the Company and its employees and the communities and stakeholders with whom we interact.

In 2022, we took significant steps to ensure adequate training on this topic. Informative sessions on human rights due diligence were held for management, and we are implementing annual training programs for all employees. These initiatives underscore our commitment to human rights and dedication to upholding the organization's values.

# Health and Safety

In the mining industry, where we encounter unique challenges and inherent risks, our commitment to health and safety is paramount. We operate in difficult geographies and work environments that demand heightened focus on health and safety. Our goal is not just to comply with regulations but to set a standard of excellence, ensuring the well-being and protection of everyone involved in our operations.

## Comprehensive Health and Safety Management Model

Our health and safety management model goes beyond meeting legal requirements. By proactively addressing occupational risks, we reduce related costs and maintain operational productivity. Top management is deeply involved in safety and health matters, actively participating in reviewing and assessing safety studies, risk analyses, and training initiatives. Our Safety department, reporting directly to Health, Safety and Environment Management, ensures effective implementation and supervision of this model.



## Three Components of Our Health and Safety Management Model, Tailored to the Mining Industry:



### 1 Continuous Training

We provide extensive training to all staff members, covering safe mining practices, equipment operation, emergency response, and accident prevention.



### 2 Strict Compliance with International Standards

Our operations adhere to stringent international regulations, including those of Occupational Safety and Health Administration (OSHA) of the United States and the recommendations from the Occupational Safety and Health Self-Management Program of the Ministry of Labor and Social Welfare.



### 3 Continuous Improvement and Corrective Actions

Beyond standard compliance, we are committed to continuous improvement to health and safety. We constantly look for ways to improve our health and safety practices. When areas for improvement are identified, we implement corrective actions, refining our protocols and procedures to prevent the recurrence of similar problems in the future.



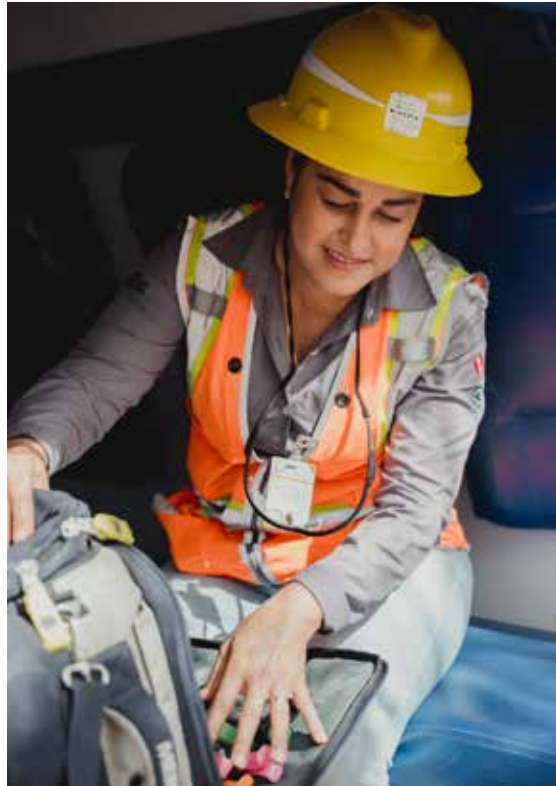
By implementing these three components in our health and safety strategy, we strive to go beyond expectations and ensure the utmost health and safety standards in our mining operations for everyone at our facilities.

## Health and Safety Training Program

Recognizing the paramount importance of health and safety for sustainable and responsible operations, we have established an industrial safety training program. This program is designed to equip all employees, contractors, and visitors with essential safety knowledge and skills. Its focus areas include identifying and managing occupational hazards, safe equipment handling, and emergency prevention and response.

The safety training program is mandatory for all personnel at our facilities, including contractors and suppliers. It is periodically reviewed and updated in response to legislative changes, identified unsafe conditions, incidents, accidents, and broader industry learnings.

The training program is mandatory for everyone working at our facilities, including contractors and suppliers.



In 2022, we made notable advancements in our safety program. We identified new potential risks in our work areas and implemented extra preventive measures, including fire drills, to evaluate and improve our emergency response capabilities.

We also extended our training to contractors and suppliers, particularly in crane operations and lifting. This expansion was a proactive response to identified risks associated with equipment movement for the new mill at the Fénix Project.

Our daily 5-minute alignment talks play a crucial role in reinforcing health and safety topics, backed by our internal communication channels.

The safety training program is mandatory for all personnel at our facilities, including contractors and suppliers.



## Safety Tools and Protocols

The safety of our employees, suppliers, contractors and visitors is of utmost importance. The adoption and effective use of safety tools and protocols are key to reducing risks and ensuring a safe working environment for all.

In our workplace, we implement safety policies, tools, and protocols. Using Bird's Pyramid, we identify possible risks and track any incidents or unsafe conditions.

In addition, we equip our employees with top-quality personal protective equipment (PPE). We ensure that all our employees, contractors and visitors have appropriate PPE for each specific task and situation, adhering to local and international occupational health and safety standards. Our range of PPE, including hard hats, safety glasses, high-visibility vests, and masks with activated carbon filters, is essential in preventing work-related injuries and illnesses.

We recognize that the effectiveness of this equipment depends heavily on its condition, maintenance, and regular updates. As such, we conduct thorough inspections and maintenance to ensure every item of PPE is in excellent condition and ready for use.

This past year, we achieved significant improvements in workplace safety. We introduced a new behavioral safety initiative to enhance focus and awareness during work. Through discussions, training, and involvement in safety inspections, we've emphasized the critical importance of staying alert and attentive.

Additionally, we consistently monitor our detectors for measuring concentrations of chemical products, which helps reduce the risk of exposure. We've also set up a monitoring and alert system for rapid response in case of any incident.

We ensure that all our employees, contractors and visitors have appropriate PPE for each specific task and situation.



# Main Standards in Our Operation

Complying with safety regulations is not only a legal requirement but also an ethical and social responsibility. To this end, we rigorously adhere to safety laws and regulations set by local and national competent authorities. This includes compliance with labor, health and safety, and environmental regulations.

## Our operational standards are guided by the following

### Federal Regulation on Occupational Safety and Health. Mexican Official Standards (NOM):

- **NOM -001-STPS -2008**, buildings, premises, facilities and areas in work centers-safety conditions.
- **NOM -002- STPS -2010**, safety conditions - fire prevention and protection in workplaces.
- **NOM -004- STPS -1999**, protection systems and safety devices for machinery and equipment used in the workplace.
- **NOM -005- STPS -1998**, regarding safety and hygiene conditions in workplaces for the handling, transportation and storage of hazardous chemicals.
- **NOM -006- STPS -2014**, handling and storage of materials- conditions for safety and health at work.
- **NOM -009- STPS -2011**, safety conditions for working at heights.
- **NOM -010- STPS -2014**, chemical pollutants in the work environment-recognition, evaluation and control.
- **NOM -011- STPS -2001**, safety and hygiene conditions in workplaces where noise is generated.
- **NOM -015- STPS -2001**, high or low thermal conditions - safety and hygiene conditions.
- **NOM -017- STPS -2008**, personal protective equipment selection, use and handling in the workplace.
- **NOM -018- STPS -2015**, harmonized system for the identification and communication of hazards and risks from hazardous chemicals in the workplace.
- **NOM -020- STPS -2011**, pressure vessels, cryogenic vessels and steam generators or boilers - operation - safety conditions.
- **NOM -022- STPS -2015**, static electricity in workplaces- safety conditions.
- **NOM -023- STPS -2012**, subway mines and open pit mines - occupational safety and health conditions.
- **NOM -026- STPS -2008**, safety and hygiene colors and signs, and identification of risks due to fluids conducted in pipelines.
- **NOM -027- STPS -2008**, welding and cutting activities. Safety and hygiene conditions.
- **NOM -028- STPS -2012**, system for work-safety management in critical processes and equipment that handle hazardous chemicals.
- **NOM -029- STPS -2011**, maintenance of electrical installations in the workplace - safety conditions.
- **NOM -030- STPS -2009**, preventive services of safety and health at work. Functions and activities
- **NOM -033- STPS -2015**, safety conditions for working in confined spaces.
- **NOM -036-1- STPS -2018**, ergonomic risk factors at work- identification, analysis, prevention and control. Part 1: manual handling of loads.



## Corrective Actions

Implementing corrective safety measures is critical for mitigating risks and enhancing our work practices. Our focus is on promptly identifying and addressing unsafe conditions to safeguard the health and safety of everyone involved in our operations.

Our proactive approach enables us to foresee and tackle safety challenges effectively. We initiate corrective actions based on early detection and thorough analysis of potential hazards. Following this analysis, we implement targeted training programs and continuous improvement strategies to further ensure the safety of our facility personnel.

In the past year, we continued corrective actions based on assessments from 2021 and new findings in 2022. These actions included:

- Analyzing and discussing incident data in our security meetings.
- Developing a training cycle on crisis identification and management.
- Updating warning signs in high-risk areas.
- Establishing new guidelines for supervising work in confined spaces.
- Conducting workshops on safe vehicle operations.
- Installing additional lighting in areas requiring movement and supporting procedures in low-visibility zones.
- Revising our safe work analysis to incorporate equipment relocation pathways.
- Installing hoists on marine ladders to improve the handling of objects.

We emphasized the importance of correctly selecting and using PPE, tailored to specific conditions and requirements, to help our personnel understand its proper use and limitations.



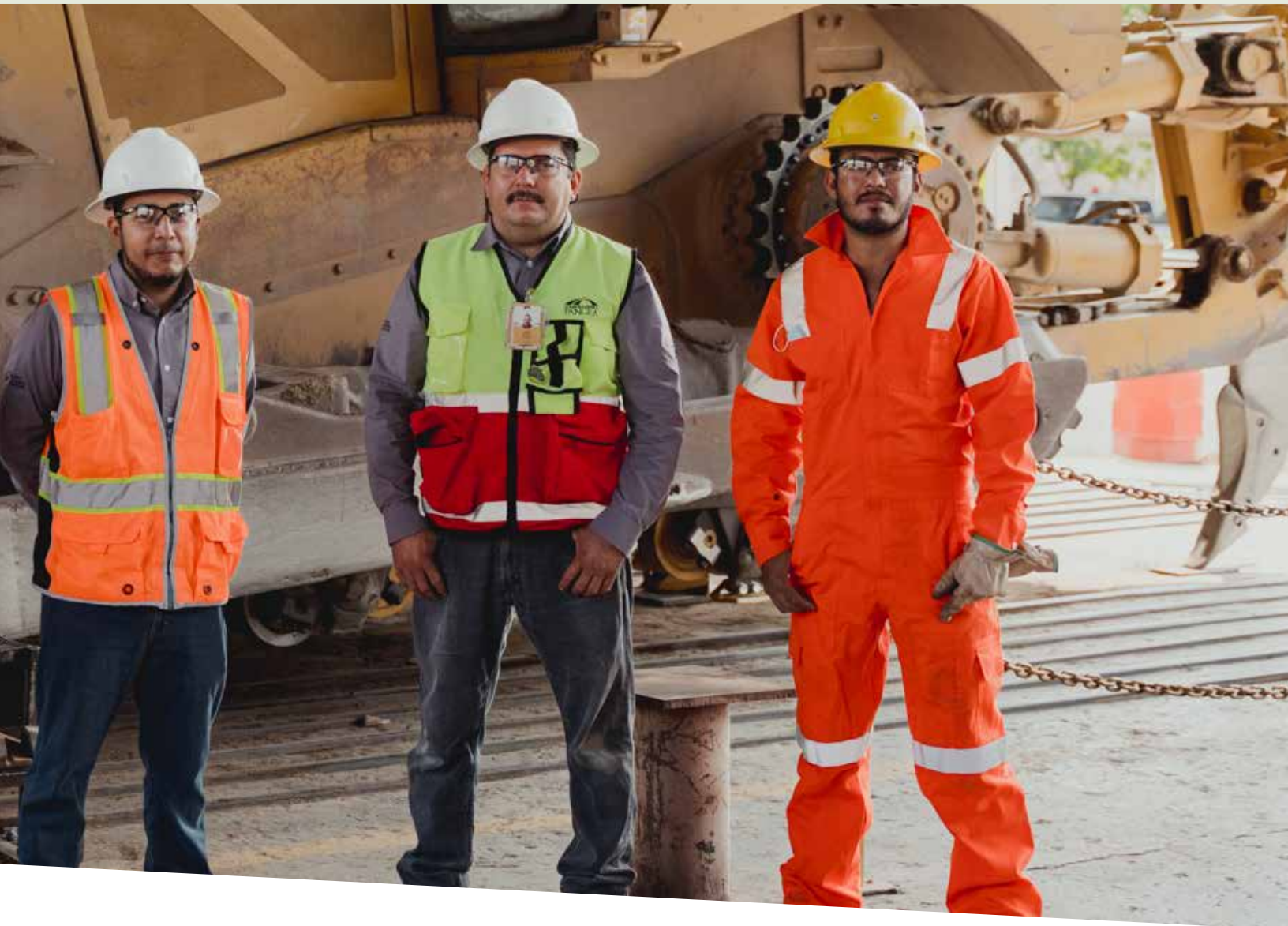
## Health and Safety Brigades

Health and safety brigades are vital for managing risks in our operations. Comprising highly motivated and dedicated members, these brigades bolster our commitment to maintaining a safe and healthy workplace.

We have two safety brigades: one at the mine and another at our offices. Their members are committed to their work and highly motivated.

These brigades are essential for rapid incident response and play a crucial role in risk prevention. Their members are trained to recognize and address hazardous situations and are distinguished by a red and green reflective vest and our unique Pangea lynx emblem, symbolizing the agility and vigilance necessary in emergency response.





## Prevention of Occupational Diseases

A key aspect of our health and safety management is the prevention of occupational diseases. In 2022, our commitment to this cause was evident in the implementation of a series of preventative tests. We conducted 21 tests to detect lead and mercury levels in our workers' blood, two elements commonly encountered in mining. If not properly managed, these elements can lead to serious health issues. Additionally, we performed 25 follow-up tests on physical exertion, helping us assess our employees' physical condition and preempt potential health risks.

We are proud to report that these proactive measures resulted in no occupational illnesses among our employees over the past year. This outcome underscores our unwavering commitment to our workers' health and safety and motivates us to continually enhance our practices in this area.



According to the laboratory tests performed on personnel, no occupational diseases have been detected in 2022.

“

In medicine, **gold is used in precision diagnostics.** A slight trace of gold can help detect diseases in early stages.”



## Ongoing Management of COVID-19

### Information and Attention Protocols

At Pangea, we are dedicated to preventing severe COVID-19 symptoms among our employees. We have implemented a reporting system that encourages employees to report any symptoms and, if possible, to stay home. This approach is supported by remote medical assistance, diagnostic testing, and assistance in obtaining necessary medications.

### Company Financed Isolation

We established and maintained isolation policies. When an employee exhibits symptoms, they are isolated, and thorough cleaning and disinfection of their work area are conducted. The Company covers the costs of PCR tests and medical consultations. During times when IMSS is overwhelmed, Pangea assumes the responsibility for isolation, including covering the salaries of employees during their incapacity period.

### Care Extension

We extend care to the family members of our symptomatic employees by offering medical assistance. Employees in close contact with these family members are also subjected to PCR tests to maintain a safe work environment for all.

Additionally, we have agreements with private laboratories to conduct screening tests at preferential rates.

Employees are also provided with paid leave to get vaccinated against COVID-19 in a timely manner.

# Accidents and Incidents

The nature of the mining industry inherently carries certain risks. Our focus on effective management and assessment of accidents and incidents aims to mitigate these risks and ensure the safety of everyone involved.

In the first quarter of 2022, we recorded two lost-time incidents. While the injuries were minor, our analysis revealed that these occurred during routine activities that we had not adequately addressed. Learning from this, we made significant modifications to our supervision and safety protocols, including internal inspections by supervisors and management committees.

We calculate the recordable accident rate based on 200,000 person-hours worked. By the end of the year, the rate among our employees stood at 1.0112 accidents per 200,000 hours, with a frequency rate of 1.13. Notably, there were no incidents reported among contractors and suppliers.

A total of ten incidents were recorded during the year, including the two lost-time incidents. We treat transit incidents with the same level of seriousness as those occurring at Pangea’s facilities. Three incidents happened

during transit, one leading to a wrist fracture. Despite these accidents occurring off-site, we conducted thorough investigations and established preventive measures. Based on our experiences in 2022, we are introducing a new training program in 2023 focused on preventing vehicular accidents, especially involving motorcycles.

This safety training program will also be extended to secondary and high schools (COBAES), reinforcing our commitment to safety within our facilities and the broader well-being of the community.

TYPE OF INCIDENT	NUMBER OF INCIDENTS
Near miss	5
With incapacitating time	2
In route	3
Total	10



ACCIDENT RATE  
**1.01**  
accidents every  
**200,000**  
hours  
FREQUENCY RATE  
**1.13**



# Social Commitment

The mining industry is inherently interlinked with nearby communities. This interaction can be mutually beneficial, but only when managed properly. Therefore, establishing robust and positive relationships with communities is vital for sustainable development and fulfilling Corporate Social Responsibility in the mining sector.

Community relations rank high among our strategic priorities. We are dedicated to enhancing our ties with local communities through respect, transparency, and cooperation. In fostering this symbiotic relationship, we strive to ensure that our operations not only benefit these communities but

also minimize any negative impacts. We engage in continuous dialogue, seeking to understand community concerns and exploring opportunities to contribute to local socioeconomic development.

Investing in community initiatives is a critical component of our sustainability strategy. Our efforts span various sectors, including education, health, infrastructure, and job creation, all aimed at enhancing the quality of life in the communities we serve. We remain committed to fostering strong, sustainable relationships with these local communities as part of our ongoing efforts towards sustainability and corporate social responsibility.





## Communities in Our Area of Influence

We have clearly defined the scope of our influence within the surrounding communities. The closest towns to our operations include El Magistral, Lo de Gabriel, Potrero de las Perdices, Nacimiento, and Bacamopa. However, Compañía Minera Pangea's impact reaches beyond these, encompassing over 30 populated areas with a total of 6,383 inhabitants, as per the latest figures from the National Institute of Statistics and Geography (INEGI). The population sizes of these communities vary significantly, from as small as six residents in El Ranchito de San Miguel to as large as 1,278 inhabitants in La Higuera de los Vega.

Our network of community relations extends to these areas, reflecting our commitment to supporting their welfare and development. We work closely with these communities to maximize benefits from our operations while diligently working to minimize any adverse effects.

INFLUENCE OVER **7,115**  
inhabitants

COMMUNITY	INHABITANTS
Agua Blanca	10
Bacamopa	121
Cahuinahuatillo	37
Cahuinahuato	57
Canutillo	64
Cerro Agudo	914
Corral Quemado	117
El Aguajito	144
El Chinal	216
El Gallo	114
El Machón	130
El Magistral	27
El Mezquite	593
El Nacimiento	78
El Palmar de los Sepúlveda	491
El Ranchito de San Miguel	6
El Rincón de los Santos	12
El Sabino	16
El Taray	8
El Tule	164
El Tule de Arriba	52
El Valle	594
Haciendita de los Ceballos	7
La Higuera de los Vega	1278
La Higuera	11
La Virgen	40
Las Huacapas	68
Las Milpas	88
Las Tahonas	207
Lo de Gabriel	153
Los Troncones	111
Palmarito Mineral	347
Palo de Asta	144
Potrero de las Perdices	31
San Joaquín	527
San José del Álamo	89
Tezcalama	49
<b>Total</b>	<b>7,115</b>



## Health and Wellness

Understanding the crucial role of health in family and social stability, we actively support various health initiatives and campaigns aimed at enhancing well-being and preventing diseases.

### Donation of Medicines in Lo de Gabriel

In partnership with health authorities and local organizations, we donated medicines and medical supplies to the community of Lo de Gabriel. This initiative ensures access to essential healthcare and supports the medical needs of the community, contributing to the overall well-being of its residents.

### Eye Health Campaign “See Better”

Acknowledging the importance of visual health, we launched the “See Better” campaign. Here, specialized doctors conducted eye exams and performed cataract surgeries when necessary. This campaign, targeting both our communities and employees, has significantly improved the quality of life for those with visual impairments.

#### Eye health campaign

CONSULTATION	2021	2022	TOTAL
Collaborators	25	29	54
Communities	123	126	249
	148	155	303
SURGERIES	2021	2022	TOTAL
	23	31	54

### Prevention of Mosquito-Borne Diseases

To mitigate the risk of mosquito-borne diseases like dengue fever, we implemented the application of Abate in targeted communities. This strategy effectively controls the mosquito population, helping to curb the spread of these diseases.



### Breast and Cervical Cancer Awareness Campaigns

In collaboration with the State Health Secretariat, we organize breast and cervical cancer awareness campaigns. These campaigns focus on the importance of early detection, support women in our communities, and encourage timely medical consultations.

## Education Initiatives

We believe in education's transformative power. Supporting educational initiatives is key to fostering sustainable development and creating growth opportunities. Our efforts in this area are diverse and impactful.

### Science in Motion

Through a partnership with the Sinaloa Science Center, we enabled elementary students from El Potrero de las Perdices to visit the “Science in Motion” traveling museum in Mocorito. This experience enriched children's understanding of science, sparking curiosity and fostering an interactive learning environment.



## Children's Mining Pavilion

Recognizing the crucial role of education in national development, we actively promote learning about mining in an engaging and educational manner. A highlight of our 2022 activities was hosting the Children's Mining Pavilion at our facilities.

This mobile museum introduces children to the world of minerals, explaining their origins, human relationships, extraction processes, and their transformation into equipment, machinery, and everyday items.

The event was attended by 222 children, teachers, and parents from various elementary schools in surrounding communities including Bacamopa, Nacimiento, Cahuinahuato, Potrero, Lo de Gabriel, and others. They experienced the excitement of searching for minerals and learned about resource extraction.

In the mineral exhibition, the children were shown a diverse range of rocks and minerals. They gained insights into the geological processes vital to our daily life and economy, fostering an appreciation for mining and its role in sustainable development.



## Infrastructure

In Mexico, access to infrastructure is key to community development and well-being. We support communities near our operations in building and maintaining essential infrastructure, contributing to improved quality of life, safety, and sustainable community development.

### School Facilities

- We assisted the Lo de Gabriel Kindergarten with roofing and donated waterproofing materials to schools in Cahuinahuato.
- Ongoing maintenance support for middle and high schools (COBAES) at El Valle de Leyva Solano and the elementary school in Bacamopa.

### Ejido Houses Construction and Maintenance

- Expansion and improvement of the ejido house in Potrero de las Perdices.
- Roofing and painting enhancements for the Lo de Gabriel ejido house, facilitating community gatherings and strengthening community identity.

### Rehabilitation of Luminaires

- Upgraded lighting in Potrero, Magistral, and Lo de Gabriel, enhancing safety and living conditions through better public space lighting.

### Access to water

- Significant advancements in drinking water infrastructure, including the new network in Rincón de los Santos and the initial phase in Nacimiento.
- Drainage improvements in Potrero de las Perdices and between Magistral and Lo de Gabriel, ensuring proper water flow and flood prevention.





“

In the last decade, mining companies in Mexico have invested more than **13 billion pesos** in community development programs “.

## Road Maintenance

Recognizing the vital role of proper road infrastructure in linking communities and fostering their socioeconomic development, we have focused on maintaining roads in three key areas over the past year. These include scheduled maintenance, addressing requests from communities, and repairing damage caused by the rainy season. These initiatives have significantly improved the connections between various localities and the condition of internal community roads.

Our maintenance efforts encompass several projects, such as the El Puerto-Bacamopa stretch in Bacamopa, internal roads in Potrero de las Perdices, and sections between Rincón de los Santos - Nacimiento, Nacimiento - La Trozada, and Nacimiento - Camino a las Catota, among others. Additionally, scraping and maintenance work was conducted in El Valle, Lo de Gabriel, Las Tahonas, and Magistral. A notable example of the impact of these actions is the enhanced mobility for peanut farmers in the community of Lo de Gabriel.

These road improvements not only facilitate mobility but also ensure better access to health services, education, commerce, and more efficient emergency response. Improved road infrastructure plays a critical role in the socioeconomic development of these communities and is essential for their integration into regional and national progress.

## Internet Access

Internet access is a gateway to numerous opportunities for communities, enabling access to online education and fostering communication and information exchange. Compañía Minera Pangea is dedicated to providing and maintaining this crucial service, aiding in the socioeconomic development of local communities and supporting access to essential services like information and communication technology. We remain committed to ensuring digital inclusion for our communities.

In the past year, we have focused on upgrading and maintaining internet infrastructure in several communities, including El Nacimiento, El Mezquite, El Tule, El Gallo, Rincon De Los Santos, El Valle de Leyva Solano, and Bacamopa.





## Festivities and Traditions

At Compañía Minera Pangea, we deeply value and actively support the local festivities and traditions of communities near our mining operations. These cultural celebrations are not only expressions of regional identity but also crucial in strengthening our bonds with the communities and fostering a shared sense of belonging.

The diverse and rich tapestry of national festivities in the country is a reflection of familial values, beliefs, and cultural heritage. Throughout the year, we have had the privilege of participating in and supporting various traditional events that hold special significance for these communities.

### Key Celebrations and Our Contributions:

- **Day of the Holy Cross:** We provided irrigation in the area of traditional celebration for the community of El Magistral and donated sweets and refreshments to the community of El Gallo.
- **Arroyada Festival:** In Bacamopa, we assisted with scraping and watering internal roads and the road to the Calvary.
- **Day of the Dead:** Collaborated in maintaining and preparing five cemeteries in El Valle de Leyva Solano, Las Tahonas, Potrero, Nacimiento, and Bacamopa, ensuring

families could honor their loved ones appropriately.

- **Children's Day:** Distributed 1,400 bags of candy to children across 29 communities, focusing on their joy and entertainment.
- **Mother's Day:** Showed appreciation to mothers in Lo de Gabriel and Palmarito Mineral, acknowledging their vital role in the community.
- **Posadas:** Spread holiday cheer by delivering candy and Christmas baskets in various localities, including Las Tahonas, El Valle, Lo de Gabriel, Potrero, Bacamopa, Nacimiento, Corral Quemado, Cahuinahuato, Agua Blanca, El Gallo, El Tule, El Mezquite, Palmarito Mineral, Milpa de los González, Cerro Agudo, Palo de Asta, Las Higueras, San Joaquín, Texcalama, El Palmar de los Sepúlveda, Los Troncones, San José del Álamo, Iripa, El Paso and Haciendita de los Ceballos.

Our involvement in these local festivities and traditions is a key part of fostering mutual respect, collaboration, and integration between our company and the neighboring communities. By respecting and participating in these cultural events, we reaffirm our commitment to local culture and its preservation.



**SPECIAL REPORT:**

# A commitment to gender equality



## Target Gender Equality

The Target Gender Equality Program, an initiative of the United Nations Global Compact, aims to expedite gender equality in the business sector. Through this program, companies commit to setting and achieving ambitious, yet attainable goals for women's representation in leadership roles, thereby contributing to broader Gender Equality objectives.

Compañía Minera Pangea is proud to join this essential initiative. In 2022, we collaborated with the Global Compact team and various companies in shared learning spaces to develop an action plan targeted at increasing female representation in leadership positions.

In the mining industry, traditionally dominated by men, our commitment to reducing the gender gap and promoting diversity and inclusion is not just an ethical and social imperative but also a strategic one. Diverse perspectives and skills foster innovation and enhance organizational performance.

Having completed our participation in the Target Gender Equality Program, we recognize that this is just the beginning of a longer journey towards gender equality. Our ongoing challenge is to implement our learnings and ensure our actions and policies create an inclusive and equitable work environment, crucial for advancing gender equality in the mining sector.

## Women's Empowerment Principles

The Women's Empowerment Principles (WEP), a collaboration between UN Women and the United Nations Global Compact, provide guidelines for companies to adopt practices that promote gender equality in the workplace, marketplace, and community. These principles range from promoting women in leadership to ensuring transparency, accountability, and the upholding of women's human rights.

At Compañía Minera Pangea, we strongly believe in and support the empowerment of women and gender equality. We are honored to endorse the WEP, reinforcing our commitment

The Target Gender Equality Program is a United Nations Global Compact initiative that seeks to accelerate gender equality in the business world.



Compañía Minera Pangea recognized by the Global Compact for its contributions to the Gender Equality goal.

to providing equal opportunities for women in leadership and growth within our organization and to actively combat gender discrimination in all aspects of our operations.

Adhering to the WEP signifies our pledge to transparency in our gender equality efforts and the importance of accountability in advancing women's rights. This commitment is a demonstration of our dedication to our employees, customers, and the community.

Our support for these principles is integral to our long-term objective of fostering a culture of respect, equality, and diversity within our organization.

### Declaración de apoyo de las/los CEO's a los principios para el empoderamiento de las mujeres

Nosotras/os líderes empresariales de todo el mundo, expresamos nuestro apoyo a la promoción de la igualdad entre hombres y mujeres para:

- atraer el mayor número posible de talentos hacia nuestras empresas;
- aumentar la competitividad de nuestras empresas;
- alcanzar nuestros compromisos de responsabilidad y sostenibilidad de nuestras empresas;
- modelar los comportamientos en nuestras compañías, para que reflejen la sociedad que queremos construir para nuestros colaboradores, ciudadanos, socios y sus familiares;
- promover las condiciones económicas y sociales que generen oportunidades para mujeres y hombres, niñas y niños; y
- fomentar el desarrollo sostenible en los países en que operamos.

Así damos la bienvenida a los Principios para el Empoderamiento de las Mujeres (WEPs), producidos y difundidos por ONU Mujeres (la Entidad de las Naciones Unidas para la Igualdad de Género y el Empoderamiento de las Mujeres) y por el Pacto Global de Naciones Unidas. Los Principios ofrecen una orientación de 7 pasos que las empresas y otros sectores pueden adoptar para la promoción y el empoderamiento de las mujeres.

La igualdad de trato entre las mujeres y hombres no es solamente una forma de hacer lo correcto, también es una práctica acertada para los negocios. La plena participación de las mujeres en nuestras empresas y en la comunidad es beneficioso para los negocios del presente y del futuro. Se trata de un concepto amplio de sostenibilidad y responsabilidad corporativa, que adopta el empoderamiento de las mujeres como un objetivo clave y que beneficiará a todas las personas. Los siete Principios para el Empoderamiento de las Mujeres nos ayudarán a alcanzar estas oportunidades.

Incentivamos a las/los líderes de negocios a unirse a nosotras/os y seguir estos Principios como una guía para las acciones que podemos adoptar en nuestro lugar de trabajo, en los negocios y en la comunidad para empoderar a las mujeres y beneficiar a nuestras empresas y a la sociedad en su conjunto. Nos esforzaremos por utilizar datos desagregados por sexo en nuestros informes de sostenibilidad para comunicar nuestro progreso a todos nuestros grupos de interés.

Nombre de la/el CEO: Adrián Blanco Saez

Nombre de la empresa: Compañía Minera Pangea, S.A. de C.V. (Subsidiaria de McEwen Mining Inc)

Fecha: Octubre 05, 2022

Firma de la/el CEO: 

\* Utilice la última versión gratuita de Adobe Acrobat Reader para "Llenar y Firmar".

**WOMEN'S  
EMPOWERMENT  
PRINCIPLES**



**United Nations**  
Global Compact

**ONU  
MUJERES**

The Statement of Support for the Women's Empowerment Principles signed by Adrián Blanco as representative of Compañía Minera Pangea

## 2022 Orange Campaign

The Orange Campaign, an international UN initiative, calls for action to prevent and eliminate violence against women and girls. Compañía Minera Pangea, in line with our social responsibility and ESG sustainability principles, has embraced this campaign, extending the activism period from the officially designated 16 days to over 40 days, from November 1 to December 10.

During the Orange 2022 Campaign, we conducted various educational and awareness activities. These included significant conferences with experts across different fields, emphasizing human rights, gender equality, and inclusion in mining. Key speakers included Karen Flores from the Mining Chamber of Mexico; Gildardo Montenegro, HSEC Manager and Security at Los Gatos Silver, with a focus on "Community Relationship Strategies"; and Dr. Margarita Bejarano, Argonaut Gold's Director of Corporate Affairs and Communication, discussing "Gender and Human Rights in Mining."

Our collaboration with Fundación Grupo México played a crucial role. Jessica Pons from the foundation delivered a talk on "Social Responsibility in Organizations and its Impact," highlighting the positive influence companies can have on society and the environment.

In partnership with MARA Espacios Seguros, we facilitated workshops in communities around our project. These sessions educated children on their right to consent and equipped them with communication skills to set boundaries and avoid risky situations.

Our dedication to the Orange Campaign and gender equality was reaffirmed by Adrián Blanco, our Director for the United States and Mexico, at the closing event. He emphasized the significance of these initiatives and their alignment with the Company's corporate responsibility and sustainable development goals.

The campaign culminated in a symbolic gesture. Our team painted their hands orange on a mural, signifying commitment to a future free of violence.





This gesture was  
a statement of  
commitment to a  
future free of violence.

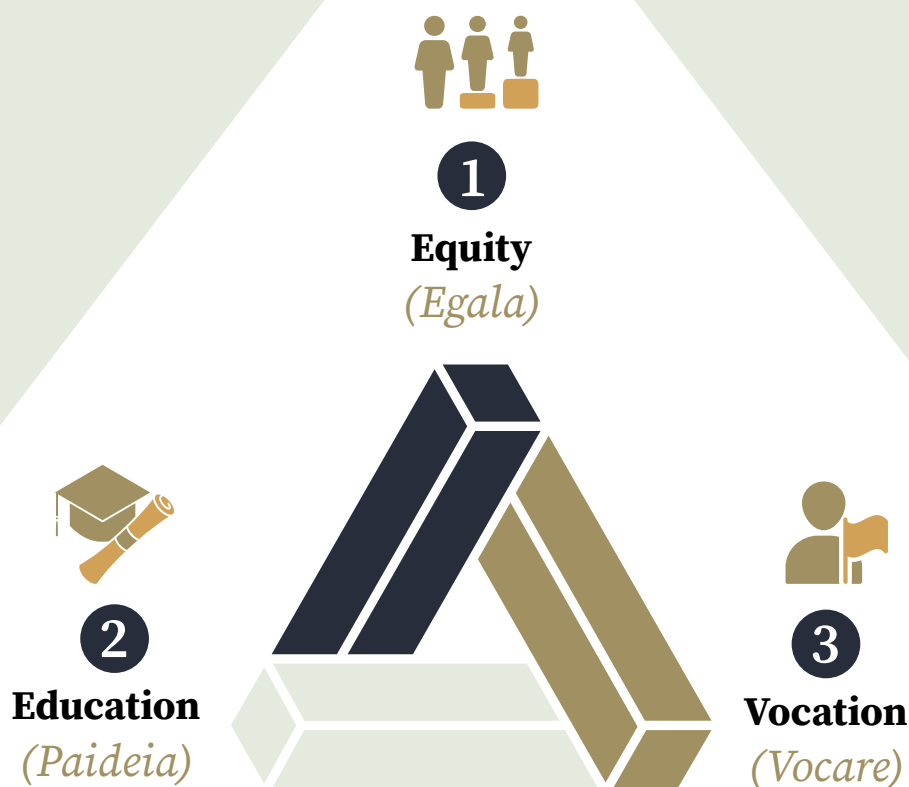


## STRATEGIC FUTURE:

# A New Management Model for Social Aspects

At Compañía Minera Pangea, we perceive mining not only as an extractive activity but also as a catalyst for social change. As we progress towards a sustainable future, we find ourselves at a pivotal juncture where the principles of equity, education, and vocation gain heightened importance. In 2022, we embarked on establishing the groundwork for our new Social Management Model, embracing these three pillars:

## New Social Management Model







This new model is an important step towards integrating Environmental, Social and Corporate Governance principles and our alignment with the United Nations Global Compact.

The road to more sustainable mining requires changing our thinking, managing and acting. This change begins with recognizing the need to consider social aspects transversally in our operation, which means considering the human and social dimensions in every decision we make. With this new model, we will focus on creating greater shared value, strengthening our corporate citizenship and contributing more effectively to the SDGs.

Pangea's new Social Management Model is a commitment to our employees, local communities, suppliers, and society. Each of the components of this three-dimensional model addresses the different stakeholders, recognizing their needs and working hand in hand to ensure sustainable growth.

While extracting minerals, we intend to sow the seeds of a sustainable future.

By integrating Equity, Education and Vocation into our framework, we are committed to going beyond the conventional standards of the mining industry. While extracting minerals, we intend to sow the seeds of a sustainable future where progress and social well-being intersect.

For this reason, it is with great commitment that we present this new social management model that will allow us to continue demonstrating that sustainable and socially responsible mining is possible.



## Dimension

1

## Equity

(*Egala*)



Understanding the importance of equity in fostering a healthy and productive work environment, we integrate gender and human rights perspectives into our operations. Our approach includes:

- **Internal Policy Review**

Conducting a comprehensive review of our policies and protocols, involving input from employees, suppliers, and community members, to ensure fairness and equality in our operations.

- **Collaboration with External Organizations**

Partnering with entities like the United Nations Orange Campaign and Women in Mining (WIM) to learn and implement best practices in our operations.

- **Training and Concience of our Employees**

Regular training sessions will be held to educate our employees about the significance of equity and human rights, promoting equal opportunities and respect in all our interactions

## Dimension

2

## Education

(*Paideia*)



Believing in education as a cornerstone of sustainable development, we aim to equip our employees and local communities with necessary skills and knowledge:

- **Human Rights and Sustainability Training**

Offering comprehensive training covering human rights and sustainable mining practices.

- **Collaborations with Educational Organizations**

Partnering with nearby educational institutions to facilitate human rights and sustainability education through workshops, distance learning, and educational visits.

- **Peacebuilding Workshops**

Organizing expert-led workshops on peaceful conflict resolution to foster community harmony.

## Dimension

3

### Vocation (*Vocare*)



Our focus on vocation is about nurturing leaders who can guide our company towards a sustainable future, equipped to face contemporary and future challenges:

- **Sustainable Leadership Training**

Providing managers and executives with training in sustainable leadership principles and practices, focusing on inclusive and respectful work environment strategies.

- **Knowledge-Sharing Programs**

Initiating platforms for sharing and learning best practices within the Company and from our international operations, including the Los Azules Project in Argentina and the Gold Bar Mine in Nevada, to enhance our understanding of sustainability across different contexts and cultures.

- **Incorporating Sustainable Development Goals (SDG):)**

Aligning our business objectives with the SDG ensures our leaders have a clear direction for contributing to global sustainable development.

This new Social Management Model enables us to address sustainability in a holistic manner, specifically tailored to the needs of various stakeholders, including employees, suppliers, local communities, and others in the mining industry. This approach signifies our commitment to building a sustainable future for everyone.

# Environmental Performance





“

The purified water you drink may have been treated with silver, as it is a **powerful antibacterial.**”

At Compañía Minera Pangea, we prioritize the preservation and protection of our natural environment, striving for sustainable environmental performance in all our operations. Our approach involves minimizing negative impacts and implementing proactive strategies that benefit both the environment and the communities we serve. The responsibility for these efforts falls under our Health, Safety, and Environment division.

**In this section, we address several key environmental issues that are material to our company's performance:**

- Compliance with Environmental Legislation
- Environmental Risk Management
- Reclamation
- Energy Consumption Measurement and Efficiency
- Greenhouse Gases (GHG) Measurement and Reduction
- Protection and Responsible Use of Water Resources
- Biodiversity Protection
- Responsible Waste Disposal
- Promotion of Environmental Activities





## Message from Hernán Beltrán

In today's world, we are part of a society where trend moments dominate, and consumerism, unfortunately, is deeply rooted in many countries and among a large part of the population.

This trend of consumerism, coupled with a trade ideology focused on planned obsolescence, is contributing to an increase in waste generation and the consumption of natural resources, energy, and water needed for new products and services.

The repetition of this pattern has led to a substantial increase in individual consumption levels over the past few decades, escalating the generation of waste and impacting the carbon and water footprints associated with the entire supply chain of products we purchase. This contributes significantly to the climate change observed in recent years.

Furthermore, adding to this the exponential growth of the world population, which has more than tripled in the last 70 years from 2.5 billion to approximately 8 billion today, we are facing a challenging future. The combination of rapid population growth and high consumerism is leading us towards a potential shortage of water, food, housing, and essential services. Unfortunately, this is already a reality in many parts of the world, and it is a situation that is likely to continue spreading, affecting thousands of people daily.

Today, to address this situation, collaborations are forming between society, governments, institutions, and the private sector to foster sustainable development plans. These plans focus on producing goods and services in an

environmentally friendly manner, supporting environmental benefits, social development, and, crucially, education and respect for future generations, instilling the principles of sustainable development.

Mining, in particular, faces the challenge of supplying the minerals needed as raw materials in satisfying the needs for housing, technological advances, communication, vehicles, electricity generation, green energy, etc. The sector must ensure that these activities are conducted responsibly, with a commitment to environmental stewardship, efficient water use, and collaborative social development with communities and governments.

The mining sector, demonstrating its commitment to sustainable development, invests in and implements the best available technical, environmental, and social practices, along with technological advancements, to conduct mining activities responsibly. This approach aligns with the Sustainable Development Goals, seeking to set an example of good practices for other industry sectors, governments and society. Our goal is to work in harmony together with various stakeholders to ensure that our actions today do not compromise the future.

**Hernán Beltrán**

*Environmental, Health and Safety Manager.*

“

The mining sector, demonstrating its commitment to sustainable development, invests in and implements the best available technical, environmental, and social practices, along with technological advancements, to conduct mining activities responsibly.”



# Compliance with Environmental Legislation

Mining is highly regulated industry, subject to laws and regulations at the federal, state, and local levels. Ensuring compliance with these regulations is vital for responsible and sustainable mining operations. At Compañía Minera Pangea, we are dedicated to adhering to current Mexican environmental legislation and applicable international standards.

Our environmental policies are designed to guarantee rigorous compliance with environmental laws. We prioritize responsible management of water, energy, waste, and materials, and focus on reducing environmental impacts throughout the life cycle of our mining operations. These policies align with internationally recognized standards and mining industry best practices.

Our comprehensive environmental management system allows us to identify and manage effectively environmental risks associated with our operations. We have established monitoring and response mechanisms to handle potential environmental emergencies swiftly and manage any incidents effectively, applying industry best practices. This environmental management system is under the direct supervision of our Health, Safety, and Environment Management team.

We are proud to report that in the past year, our operations incurred no environmental observations, fines, or incidents, demonstrating our commitment and diligence in environmental compliance and responsible environmental management.

## Environmental Compliance Model: Key Aspects at Compañía Minera Pangea



### 1 Compliance with Laws and Regulations

We ensure adherence to environmental legislation, regulations, and requirements set by the competent authorities in our operating regions.



### 2 Permits and Authorizations

All necessary and current environmental authorizations and licenses are maintained, granted, and approved by the Ministry of Environment and Natural Resources (SEMARNAT).



### 3 Environmental Management Protocols

Our Company implements processes to detect, monitor, and manage environmental practices across our operations, aiding in the prevention and minimization of any adverse environmental impacts.



### 4 Adoption of International Standards

Our environmental actions are guided by various international sustainability initiatives, including the United Nations Global Compact, the United Nations Sustainable Development Goals, the Mining Association of Canada's Towards

# Environmental Risk Management

Environmental risk management is a crucial component of sustainable mining operations. At Compañía Minera Pangea, we are dedicated to protecting the environment and preventing adverse impacts.

## Risk Identification and Assessment

We conduct regular assessments to identify and analyze environmental risks associated to our operations. This includes evaluating potential impacts on ecosystems, water, air, and local communities. Environmental criteria also play a key role in our supplier selection, procurement, maintenance, and material usage. Continuous monitoring and evaluation of our environmental performance are essential to effectively anticipate and manage potential risks.

## Impact Prevention and Mitigation

Preventing harmful environmental effects is our primary goal. We implement proactive and corrective measures to mitigate any potential risks. These measures include adopting best practices, using eco-friendly technologies, educating our staff on responsible environmental practices, and collaborating with local communities and regulatory authorities.

## Monitoring and Continuous Improvement

Our environmental monitoring system is rigorous and ongoing, ensuring adherence to environmental standards and the early detection of any deviations or undesirable impacts. We embrace a continuous improvement approach, regularly reviewing our practices and procedures to optimize and further minimize environmental risks in our operations.



Significantly, we have adapted our reclamation methodology to account for climate change risks. We now consider variables like increased rainfall and extended drought periods, adjusting our reclamation programs to address these challenges and reduce the environmental impacts of climate change.



## Environmental Criteria for Procurement

Our procurement policies explicitly express our commitment to collaborate with suppliers adhering to environmental regulations and embracing best practices in environmental stewardship. We aim to work with suppliers who support a sustainable and healthy economy, ensuring no compromise in performance, profitability, or safety at our mining operations. Partnering with suppliers dedicated to

responsible environmental practices allows us to mitigate negative environmental impacts and foster sustainability throughout the procurement process.

We rigorously evaluate our suppliers to verify their compliance with environmental standards. This includes assessing the impact of their operations on our sites, such as disturbances caused by access roads, drilling processes, material and waste handling (particularly hazardous waste), and the protection of local flora, fauna, and water resources. We select only those suppliers who demonstrate a strong commitment to environmental stewardship.



In our leach pad, we successfully recirculate 100% of the 14,000 cubic meters of water used daily.

## Used Materials

In the mining sector, responsible management of materials used in operations is crucial. At Compañía Minera Pangea, we prioritize efficient resource use and aim to minimize environmental impacts related to material consumption.

During our operational phase, it is essential to conserve resources and use them efficiently as per operational requirements. This involves responsibility for materials to prevent spills, leaks, or contamination during handling. By decreasing material consumption, we reduce our reliance on natural resources and lower the environmental impact of extraction and production.

Our mining operations utilize a diverse range of materials, including office supplies, COVID-19 health and safety items, and spare parts. We handle these materials responsibly, adhering to environmental and safety standards.

Furthermore, our operations involve the use of critical raw materials requiring special attention and responsible handling. These include accumulators, gasoline, diesel, propane gas, 50% liquid soda ash (NaOH), cyanide, and industrial anhydrous lime. We are committed to the safe management of these substances, in compliance with relevant environmental and safety regulations.

Aligned with our sustainability commitment, we implement recycling practices to optimize material use and reduce waste. For example, in our leach pad, we successfully recirculate 100% of the 14,000 cubic meters of water used daily. Last year, we recycled 61 tons of cyanide in the plant through the recirculation of spent solution and reactivated 91% of the used activated carbon for reuse.



### Used Materials

MATERIAL	AMOUNTS
Accumulators	21 units
Gasoline	73,519 liters
Diesel	194,512 liters
Propane Gas	215825 liters
Liquid Soda (NaOH) at 50%	346,499 kg
Cyanide	379,000 kg

# Energy

At Compañía Minera Pangea, responsible energy management is a key aspect of our commitment to environmental sustainability. Our energy strategy focuses on affordability and reliability. In planning for our future Fenix Project, we aim to ensure cost-effective energy supply while respecting environmental impacts.

In 2021, we pursued a strategy involving multiple energy sources. Primarily, we rely on the Comisión Federal de Electricidad (CFE) for our energy needs, supplemented by diesel generators for backup in emergencies. This approach guarantees operational continuity and reduces our reliance on diesel, enhancing our environmental performance.

In our commitment to sustainability, we assess and incorporate alternative energy sources, such as gas, into Project Fenix. This initiative reflects our efforts to adopt cleaner, more efficient energy sources, aligning with our objective to lessen our environmental impact.

The increasing demand for energy, coupled with the challenges of its generation and use, including climate change effects, underscores the importance of energy in modern society. The mining sector, known for substantial energy consumption, necessitates efficient energy management to reduce environmental footprint and operating costs.

As part of our plan to further reduce our environmental impact, we continue to explore the use of cleaner and more efficient energy sources for Project Fenix, aiming to finalize these studies within the next two years.

## ENERGY CONSUMPTION FROM NON RENEWABLE SOURCES

# 4,198,537 KW

## Energy Consumption

Over the past year, we focused on energy measurement in our operations, continuing to use the tools and measurements of the past few years.

We promote employee engagement in reducing energy consumption and explore renewable energy opportunities, like installing solar panels for internet services, despite their current limited use.

We conduct thorough monitoring and reporting of our energy usage, setting targets for improvement. Our energy consumption in 2022 from non-renewable sources at the ADR plant, laboratory, and mine totaled 4,198,537 KW = 14,400 KILO JOULE = 1.44e+007 JOULE.

Comparatively, energy from renewable sources, mainly solar panels, was 492.48 KW. Though modest, this reflects our commitment to the transition to sustainable energy. Energy consumption at our Guamúchil, Sinaloa offices was 38,896 KW, representing only 0.92% of the total mine consumption.



## Energy intensity

We measure energy efficiency using the energy intensity ratio, calculated by dividing total energy consumption by ounces produced.

In 2022, our energy intensity was 4,199,029.48 KW/851 oz = 4,934.22 KW. As we progress with Project Fenix, we anticipate this ratio to significantly vary until we reach the production phase.

2022 ENERGY INTENSITY

**4,934.22** KW



# GHG Emissions

We acknowledge that the energy-intensive nature of mining production can lead to significant GHG emissions. Committed to mitigating our impact on climate change, we implement strategies to lower these emissions.

In 2022, we carried out an extensive measurement of our GHG emissions, in line with the guidelines of the National Emissions Registry. This assessment included both direct and indirect emissions, totaling 2,973 tons of CO<sub>2</sub> equivalent. This figure provides a benchmark to assess our environmental performance relative to past years.

Notably, there was an increase in our GHG emissions intensity compared to the previous year. In 2021, the intensity was 0.96 tons of CO<sub>2</sub> equivalent per ounce produced, but in 2022, it rose to 3.49 tons of CO<sub>2</sub> equivalent per ounce produced. This increase is due to the maintenance and preparation activities for Project Fenix.

These findings reinforce our commitment to further reduce emissions and enhance environmental performance. We are actively exploring alternative, cleaner energy sources and refining our production processes to lessen our climate impact. Continual monitoring of our GHG emissions is essential for identifying areas for improvement and setting more ambitious reduction targets.

## 2022 GHG emissions

SCOPE	TONS OF CO <sub>2</sub> EQUIVALENT
Direct	1,050
Indirect	1,923
Total	2,973



# Water

Our approach to water use is guided by a strong commitment to environmental sustainability. Recognizing water as vital for life and crucial for our mining operations, we prioritize its responsible management. This is essential to ensure clean and safe water availability for nearby communities and local ecosystems. Efficient water use not only conserves this scarce resource but also reduces our water footprint and the environmental impact of our activities.

In our operations, we focus on optimizing water consumption and minimizing its environmental impact. A key strategy is the accumulation of water in the Samaniego Pit, which we then pump to the Central Pit. This method allows us to sustainably use water, reducing reliance on external sources and our water footprint. In 2022, we used 41,700 megaliters of water for mining activities, including processing, administrative offices, and road irrigation. This volume covers our internal needs without impacting external sources, ensuring responsible resource use.

We have also implemented projects and monitoring to maintain water quality at our operations. Regular assessments show that the water quality remains within natural parameters, confirming no adverse impact on water quality from our mining activities. To further demonstrate water quality, we have introduced tilapia fish, whose thriving presence supports our responsible water management.

By 2023, we aim to establish a water purification plant at our mining sites. This will provide clean drinking water, reducing the need for water transport from Guamúchil City and ensuring a secure, healthy water supply.

Our water management strategy includes minimizing water discharge to protect water tables. Our operations are designed to replenish



As an additional measure, we have introduced tilapia fish to demonstrate water quality.

only the evaporated water, preventing any discharge into natural water sources. This approach safeguards aquatic ecosystems and secures water availability for future generations.

We also engage in collaborative water management, transferring water from latrines and septic tanks to authorized third parties. In 2022, 117 cubic meters of water were transferred to authorized suppliers, demonstrating our commitment to sustainable regional water management and strengthening community relations.

We hold a concession and permits from the National Water Commission for 150,000 m<sup>3</sup> of water from the Sinaloa River basin. However, for four years, we have not utilized this resource, minimizing impact by capturing water and aiding aquifer recovery.

# Biodiversity

Biodiversity is invaluable, and at Compañía Minera Pangea, we are committed to preserving the ecosystems where we operate.

Our operations, situated in the low deciduous forest – an area rich in biodiversity – cover 8.8 km<sup>2</sup> out of a total 24,000 hectares. This area falls outside any protected natural area, and we hold all necessary land use authorizations and permits from CONAFOR and SEMARNAT, ensuring compliance with environmental regulations.

We recognize the importance of the environmental services provided by this forest ecosystem, for the well-being of society and the mitigation of the effects of climate change. In our commitment to respect and protect these services, we implemented a Payment for Environmental Services program. This initiative promotes forest conservation, sustainable economic development, and climate change adaptation.

For our mining land use, 88.2 hectares of forest vegetation have been transformed. This change has led to estimated loss of carbon sequestration of 16,051 tons and reduced water infiltration of 28,240.14 cubic meters per year. These figures serve as benchmarks for evaluating the evolution of Project Fenix and our environmental management strategies.

Our environmental impact indicators encompass soil, water, terrestrial flora and fauna, ecosystems, landscape, and socioeconomic components. Major impacts during the current operation and maintenance stage include waste, gas, dust, and noise pollution, which we are actively working to minimize.

For waste pollution, we manage recovery, transfer, and disposal through authorized third parties. We control gas and noise pollution by adhering to environmental standards through our maintenance phase operations. To combat dust pollution, we implement measures like road irrigation.

We are committed to monitoring and mitigating other impacts, such as alterations to the natural landscape and relief. Our mitigation actions include slope relocation and area recovery to restore the landscape and minimize environmental changes.



## Identification of Species Under Observation in Our Environmental System

ID	COMMON NAME	SCIENTIFIC NAME	NOM-059	IUCN
Mammal	Jaguar	Panthera onca	Endangered	Near Threatened
Reptile	Chara de Beechy	Cyanocorax beechei	Endangered	Minor concern
Birds	Cinnamon cuckoo	Cayana pineapple	Endangered	Minor concern
Birds	Sinaloa Swallow	Progne sinaloe	Special Protection	Vulnerable
Birds	Green Macaw	Ara militaris	Endangered	Vulnerable
Birds	Guaco falcon	Herpetotheres cachinnans	Endangered	Minor concern
Birds	Dominican Goldfinch	Carduelis psaltria	Endangered	Minor concern
Birds	Lilac crown parrot	Amazona finschi	Endangered	At risk
Birds	Parakeet	Forpus cyanopigi-us	Special Protection	Near Threatened





We successfully reforested 15 hectares and established a goal to reforest an additional 20 hectares by 2023.

## Environmental Reclamation

Environmental reclamation is crucial in mining. At Compañía Minera Pangea, we recognize its importance for sustainability and environmental responsibility. Our reclamation practices aim to restore ecosystems impacted by our operations.

In 2022, we carried out a comprehensive environmental reclamation program focused on maintaining and reinforcing reforested areas. Our nursery, with an estimated production of nearly 26,000 plants in 2022, supports our environmental remediation program.

We prepared new areas, adjusted slope angles, and installed storm drainage controls to prevent erosion. We continued hydroseeding and introduced the silt fence method, a biodegradable membrane to reduce erosion. Planting and irrigating early aids germination and root development before the rainy season.

By utilizing new techniques and technologies, we have reforested 15 hectares and set a goal to reforest an additional 20 hectares by 2023. These efforts contribute to biodiversity conservation and the restoration of ecosystems affected by our mining activities.

We successfully reforested 15 hectares and established a goal to reforest an additional 20 hectares by 2023.

## Protected Species

Our Safety and Environmental team excels in conserving flora and fauna, adhering to NOM-059 and the IUCN classification. Following NOM-059 we identified seven endangered species in our environmental system. Following IUCN, we identified one endangered, two vulnerable, two near threatened and one at risk species in our mining operation area. We have installed camera traps throughout 2022 to monitor and protect these species.



### Best Practices: Hydroseeding

In the mining industry, mulching and hydroseeding are becoming increasingly popular for enhancing environmental reclamation. These methods are essential for restoring and protecting soils impacted by mining activities, promoting revegetation and aiding in biodiversity recovery.

Mulching involves the application of a layer of organic material, like straw, leaves, or wood chips, over the soil. This layer acts as a protective barrier against wind and rain erosion, helping to preserve soil nutrients vital for plant growth. Additionally, mulch aids in moisture retention, reducing evaporation and supporting the development of plant roots.

Hydroseeding, on the other hand, involves spreading a blend of seeds, water, fertilizers, and stabilizers on the soil. This mixture is evenly distributed using a hydroseeder machine. Hydroseeding fosters quick seed germination and enhances soil coverage, speeding up the revegetation process and aiding in erosion control.





2022 PRODUCTION

26,000  
plants

## 2022 Reforested Species.

NO.	COMMON NAME	SCIENTIFIC NAME
1	Acacia	Acacia Sp
2	Agustina	Cryptostegia grandiflora
3	Amapa	Tabebuia penthapylla
4	Amole	Agave vilmoriniana
5	Ayale	Crescentia alata
6	Bainoro Negro	Pisonia capitata
7	Berraco	Stemmadenia palmeri
8	Bainoro	Celtis pallida
9	Brazil	Hematoxylum brasiletto
10	Binolo	Acacia cymbispina
11	Binorama	Acacia farnesiana
12	Cacachila	Karwinskia humboldtiana
13	Cardón	Pachycereus pecten/aboriginum
14	Ceiba	Ceiba pentandra
15	Cedro	Cedrela odorata
16	Copal	Bursera penicillatum
17	Copalquin	Coutarea pterosperma
18	Cuilon	Mimosa purpurancens
19	Dais	Acacia spp
20	Ebano	Caesalpinia sclerocarpa
21	Guamuchil	Pithecellobium dulce
22	Guasima	Guazuma ulmifolia
23	Guayacan	Guaiacum coulteri
24	Huaje	Leucaena leucocephala
25	Huanacaxtle	Enterolobium cyclocarpum
26	Huizache	Caesalpinia cacalao
27	Junco /Retama	Parkinsonia aculeata
28	Manzanilla	Perityle microglossa
29	Mauto	Lysiloma divaricata
30	Mezquite	Prosopis juliflora
31	Mora	Maclura tinctoria
32	Palo blanco	Ipomoea arborecens
33	Palo chino	Havardia mexicana
34	Palo colorado	Caesalpinia platyloba
35	Palo fierro	Pithecellobium mangense
36	Palo pinto	Pithecellobium tortum
37	Palo zorrillo	Thounidium decandrum
38	Papache	Randia echinocarpa
39	Papachio	Randia mitis
40	Papasoltli	Erythroxylum mexicanum
41	Pionia	Erythrina lanata
42	Pochote	Ceiba aesculifolia
43	San Juan	Jacquinia pungens
44	Siviri	Cylindropuntia alamosensis
45	Tepeguaje	Lysiloma acapulcensis
46	Venadillo	Swietenia humilis



# Promotion of Environmental Activities

Our commitment to environmental sustainability has led to collaborations and participation with various organizations, each contributing unique perspectives and enriching experiences. In 2022, our facilities served as a hub for key representatives who share our dedication to sustainable practices:

## United Industry and Government

The visit of key figures from the Sinaloa Ministry of Economy, including Felipe Carlos Ibarra Retamoza, Undersecretary of Economic Promotion and Competitiveness, highlights the collaboration between public and private sectors in advancing eco-friendly mining practices. The visit of Omar Alfonso Juan Nuñez, Mining Director of Sinaloa, further underscores the government's commitment to promoting sustainable practices within the mining industry.





### Sharing Success

Sustainable mining is a collective endeavor. The visit from Gabriel Soto, General Manager of Américas Gold and Silver in Mexico, exemplifies how industry players share experiences and successes to foster positive environmental practices. José Luis Castro Inzunza, Director of the Sinaloa Mining Cluster, attending our facility, further emphasizes the importance of industry-wide collaboration to advance sustainable mining.

### Social and Environmental Responsibility

The environmental impact of mining extends beyond operational boundaries. Edgar Niebla, representing AccionaRSE – a regional partner of the Mexican Center for Philanthropy – visited our site, highlighting our collaborative efforts with diverse sectors to cultivate a mining industry that is more environmentally conscious and community-oriented.

### A Sustainable Mining Future

Pursuing responsible mining demands a constant search for environmental best practices. Our cooperation with various organizations reflects our commitment to lead towards a more sustainable mining future. At Compañía Minera Pangea, we believe in the power of collaboration to enhance our understanding and elevate sustainability standards across the industry.

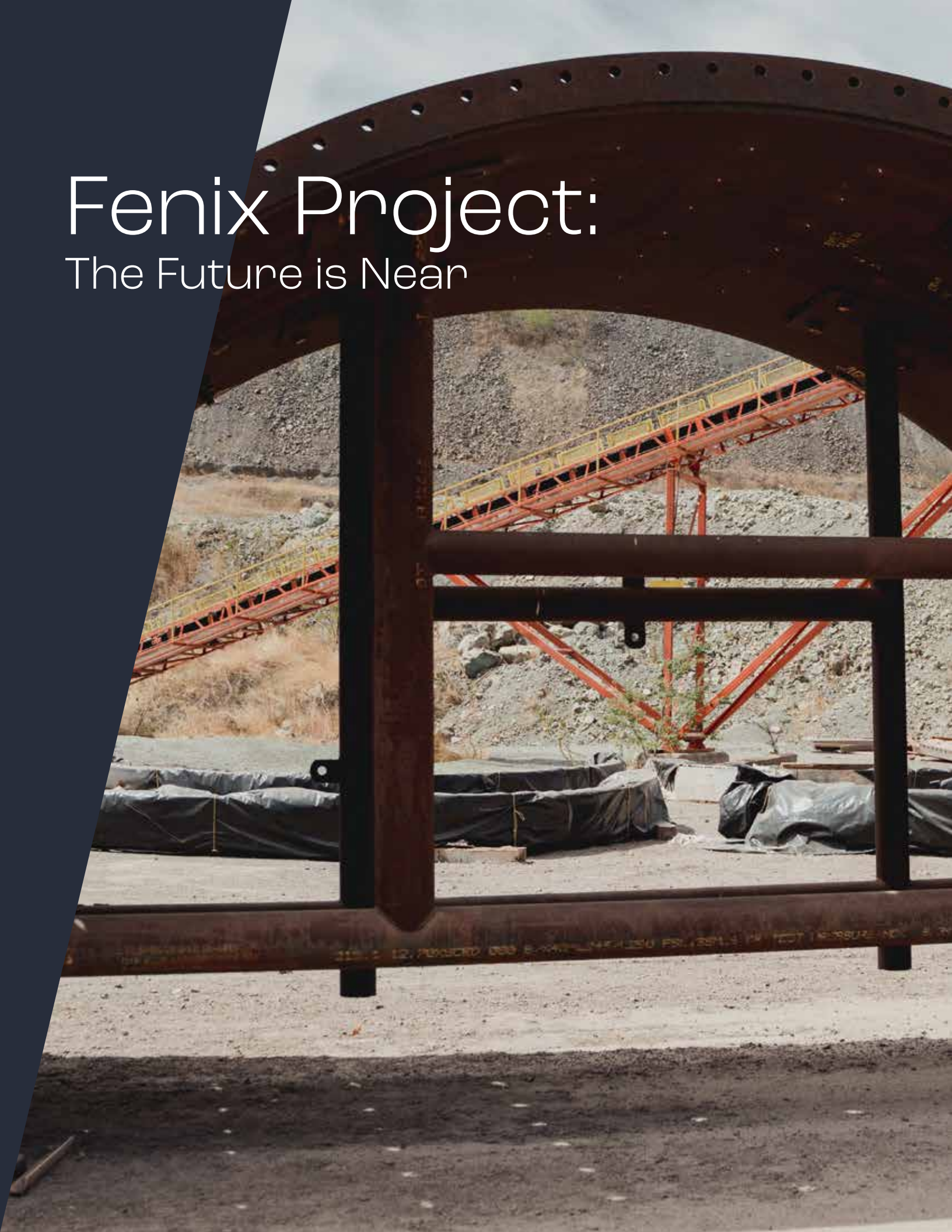


Responsible mining demands a constant search for environmental best practices. Our cooperation with various organizations reflects our commitment to lead towards a more sustainable mining future.



# Fenix Project:

The Future is Near







“

Mexico is one of the world's top ten countries in terms of mineral exploration investment, **drawing around 5% of the global investment in this area.**“

We are proudly presenting the advancements of Project Fenix, an exciting development phase for Compañía Minera Pangea. Since its announcement in 2016 and the subsequent release of the first Feasibility Study in 2020, we have achieved notable progress, implementing key improvements that have enhanced the project's efficiency, robustness, and profitability.

Supported by McEwen Mining, we are fully committed to the success of Project Fenix. We are focused on achieving our corporate goals, bolstered by the commitment and expertise of our talented team.



## Mensaje de Miguel Barahona

Project Fenix is the sole pathway for sustaining current employment opportunities and facilitating the integration of personnel into new roles.

The current mineral resources assure a mine life of 10 years, which could potentially extend to another 10 with further exploration. Presently, the project's profitability hinges more on silver than gold production. Our challenge lies in commencing production with marginally profitable gold ore, which will further enable access to silver production. We are actively exploring new technologies and processes to evolve into a low-cost productive operation.

The success of Project Fenix relies on the active involvement of our team. Our initial steps included the acquisition of a used plant and its transportation to site.

**Miguel Ángel Barahona**  
*Project Fenix Manager*



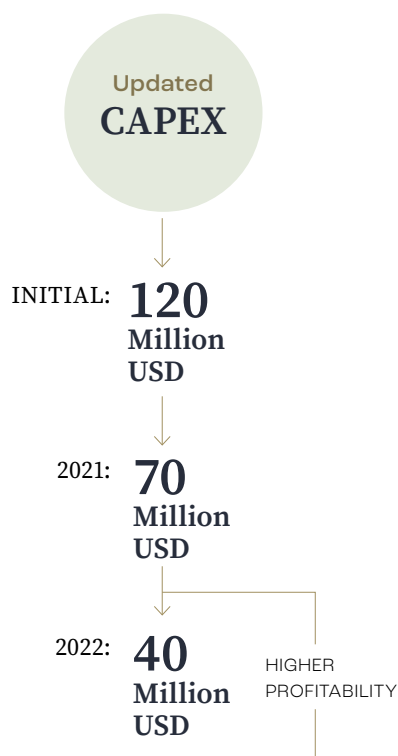
“

Project Fenix is crucial for sustaining current employment opportunities and facilitating the integration of personnel into new roles.”

## Economic Aspects: Profitability and Efficiency

Project Fenix has experienced significant modifications to enhance its economic viability. Initially, the Capital Expenditure (CAPEX) was set at US\$120 million, covering new facility construction and new equipment acquisition. In 2021, this figure was reduced to US\$70 million through the strategic purchase of used equipment within the national territory.

For 2022, the revised CAPEX estimate stands at under US\$40 million, further boosting the project's profitability. This increase in profitability stems not only from cost savings but also from other factors, such as fluctuations in metal prices. Currently, the price per ounce of gold has surpassed 2,000 USD, reaching into the highest of recent years' levels.



“

The circuit boards of your home appliances probably contain small amounts of gold.”



# Operational Aspects: Innovation and Development

The Fenix project maintains a focus on conventional technologies and precious metal recovery methods. The Samaniego Pit will be reconditioned to store tailings generated during operation.

A notable achievement in October 2022 was the acquisition of a plant, a great opportunity for our project. This plant, briefly used by Goldcorp and located just 200 kilometers from our operation, has a strong maintenance history and was in storage, ready for relocation. At the time of this report, 80% of the plant has been transported to our site and is currently undergoing rehabilitation.

This acquisition offers significant financial advantages by reducing logistics and import costs and since it was out of operation, it was already available for relocation. We anticipate achieving greater savings than initially projected, although some adjustments to the original engineering are necessary. To facilitate this, we are updating the Feasibility Study, including a new geological model, additional metallurgical testing, and a revised life-of-mine plan. We are also working to submit modifications to our SEMARNAT permit. With these developments, we plan to commence construction in late 2023 and initiate production at Project Fenix in the second half of 2024.

The plant's design and launch are structured as a two-phase project. The initial phase involves starting a ball mill and three leaching tanks, targeting a production of 3,400 tonnes per day. This will expedite the initial production phase and generate cash flow for financing the second phase. In this subsequent phase, we plan to start a semi-autogenous mill (SAG) and add three more leaching tanks, increasing daily production to between 5,000 and 6,000 tonnes.



## PROJECTED PRODUCTION

PHASE 1	PHASE 2
<b>3,400</b>	<b>6,000</b>
tonnes per day	tonnes per day

# Environmental Aspects: Commitment to Sustainability

Minimizing environmental impacts on soil, water, and air is a key priority for Project Fenix, and we have obtained the necessary approvals from the Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT).

Following the 2021 Project Fenix report, we have identified gas as the preferred option for power generation. Our primary objective for 2022 and 2023 is to determine the best choice between compressed gas and liquefied gas. Upon decision, we will finalize contracts with gas suppliers and acquire the required generators.

The Samaniego Pit will continue to be the permanent site for tailings storage, a system that greatly diminishes environmental risks. We have revised our tailings management approach, including the use of filters for semi-dry tailings disposal with 18% moisture. This method will enable us to recuperate more water than initially planned, positively impacting our water balance and decreasing overall water usage. This change brings considerable environmental benefits. We will maintain permits for both wet and semi-dry tailings disposal methods. Moreover, once the Samaniego Pit reaches its full capacity for tailings deposition, we can expedite the environmental reclamation process and allocate an additional 40 hectares for reclamation.



## The Near Future

In terms of infrastructure, Project Fenix will continue to utilize the current offices, laboratories, security, and workshops. During 2024, we plan to enhance our resources, including human talent, equipment, and construction requirements, to ensure the success of this new operational phase. This signifies an exciting new chapter for Compañía Minera Pangea.

# Alliances

In the dynamic mining sector, forming strategic alliances is crucial for the growth of both the Company and the industry, especially considering political and economic challenges.

## Memberships

We understand the importance of collaborating with various organizations and key stakeholders to address challenges and foster responsible practices in mining.



### WIM Mexico (Women in Mining)

We support the WIM Mexico initiative and the involvement of our team members on the board of directors for the Sinaloa chapter. WIM Mexico aims to promote gender equity in mining, launch initiatives to improve gender balance, and support women's professional development in the sector. Through this partnership, we reinforce our commitment to gender equality and strive to cultivate an inclusive, diverse workplace in our Company and the broader mining industry.



### Clúster Minero de Sinaloa

Participation in the Sinaloa Mining Cluster enables us to collaborate with other regional mining entities. This alliance facilitates the exchange of best practices, knowledge, and experiences, and allows us to engage in joint projects that foster sustainable development and economic growth in the region. Our involvement in the cluster aims to enhance the synergy between the mining industry and local communities, creating mutual benefits and promoting corporate social responsibility.



### Cámara Minera de México

As CAMIMEX members, we contribute to advancements in mining management, community development, human rights respect, and sustainability. Our representation includes Santiago Grande, General Manager in Mexico, on the Board of Directors; María José Sepeda, Social Responsibility Coordinator, on the Government Relations and Legislative Liaison Commission; and Dulce López, Community Relations Coordinator, on the Community Development and Human Rights Commission.

### IMSS (Mexican Social Security Institute)

Our partnership with the IMSS in the Évora region, represented by Miguel Sánchez, Head of Human Resources, and Alejandro Morales, Finance Controller, focuses on enhancing the protection and well-being of our employees and their families. We collaborate to ensure a safe, healthy work environment, promote disease prevention, and facilitate quality medical care. This alliance underscores our commitment to the safety and health care of our workforce.





## We share our best practices

Knowledge and best practice sharing are crucial for advancing sustainability. We recognize the value of sharing our expertise and experiences with universities, NGOs, and other companies in the mining sector to reinforce responsible practices.

In the past year, we have engaged in multiple events to share our sustainability initiatives, believing that mutual growth stems from shared knowledge.

### First International Mining Congress

At this significant event in Mazatlán, our representatives María José Sepeda, Social Responsibility Coordinator, and Dulce López, Community Relations Coordinator, presented on “Social Responsibility as an Accelerator for the Development of Communities.” They emphasized the importance of corporate social responsibility programs, shared good practices and the success story of the Eye Health Campaign conducted last year. This event provided a platform to exchange knowledge and experiences with other mining industry leaders.

### Minnovation

The seventh edition of Minnovation, hosted by the Sonora Mining Cluster, gathered experts in corporate social responsibility, human rights, and community relations. Our representatives Hernán Beltrán, Dulce López, and María José Sepeda attended to gain innovative tools that support our operations and effectively meet the health, education, housing, and service needs of our community.



### 4th Edition of the Mining and Metallurgy Workshop - UNAM Faculty of Engineering

At this workshop held at the UNAM School of Engineering, María José Sepeda participated and engaged with students and academics. Through conferences, roundtables, and workshops, we shared our responsible practices and the importance of sustainability in mining. This event encouraged the exchange of ideas and good practices in the academic setting.

# Global Reporting Initiative

This Sustainability Report is prepared in alignment with the core option of the GRI standards, the most internationally recognized framework. It enables us to report our sustainability performance in a structured, transparent manner, encompassing economic, environmental, and social aspects.

STANDARD	DESCRIPTION	PAGE
<b>UNIVERSAL STANDARDS (100)</b>		
<b>General Contents</b>		
102-1	Name of organization	12, 14, 16
102-2	Activities, brands, products and services	12, 14, 16, 18, 20
102-3	Location of headquarters	12, 14, 16, 20
102-4	Location of operations	12, 14, 16
102-5	Ownership and legal form	12, 14 - 16
102-6	Markets served	12, 14, 16
102-7	Size of the organization	12, 14, 16, 42, 52
102-8	Information about employees and other workers	30, 52, 54, 101, 102
102-9	Supply chain	35
102-11	Precautionary principle or approach	22, 24
102-12	External initiatives	76, 96
102-13	Membership in associations	96
<b>Strategy</b>		
102-14	Statement from senior executives responsible for decision making	6, 8, 40, 48, 82, 100
102-15	Main impacts, risks and opportunities	22
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards and rules of conduct	32, 56, 76
102-17	Counseling mechanisms and ethical concerns	17, 21, 56
<b>Governance</b>		
102-18	Governance structure	30 - 31
102-19	Delegation of authority	30 - 31
102-20	Executive-level responsibility for economic, environmental and social issues	30 - 31
102-21	Stakeholder consultation on economic, environmental and social issues	30 - 31
102-23	Chairman of the highest governing body	6, 48, 82
102-25	Conflicts of interest	32-25
102-26	Role of the highest governance body in the selection of objectives, values and strategy	28
102-27	Collective knowledge of the highest governance body	30
102-29	Identification and management of economic, environmental and social impacts	22-24
102-31	Review of economic, environmental and social issues	22-24
102-32	Role of the highest governance body in sustainability reporting	20
102-33	Communication of critical concerns	22, 24
102-35	Compensation policies	53
102-36	Process for determining compensation	53
<b>Stakeholder Engagement</b>		
102-40	List of stakeholders	35, 36
102-41	Collective bargaining agreements	51
102-42	Identification and selection of stakeholders	35, 36
102-43	Approach to stakeholder engagement	35, 36
102-44	Key issues and concerns mentioned	22-25, 37
102-45	Entities Included in the Consolidated Financial Statements	20, 42



STANDARD	DESCRIPTION	PAGE
<b>Reporting practices</b>		
102-46	Definition of the contents of the reports and the coverage of the subject matter	35, 36
102-47	List of material items	51
102-48	Re-expression of information	35, 36
102-49	Changes in reporting	35, 36
102-50	Reporting period	22-25, 37
102-51	Date of last report	20, 42
102-52	Reporting cycle	20
102-53	Contact point for questions about the report	20
102-54	Statement of preparation of the report in accordance with the GRI Standards	20, 106-108
102-55	GRI Table of Contents	106-108
102-56	External verification	21
<b>Management approach</b>		
103-1	Explanation of the material topic and its Boundary	22, 24, 50, 52-54, 58, 72, 84
103-2	The management approach and its components	50, 52-54, 58, 69, 72, 76
103-3	Evaluation of the management approach	54
<b>ECONOMIC STANDARDS (200)</b>		
201-1	Direct economic value generated and distributed	42
201-2	Proportion of senior executives recruited from the local community	101, 102
201-4	Financial Assistance Received from Government	44
202-2	Proportion of Senior Management Hired from the Local Community	No aplica
203-1	Infrastructure investments and services supported	43, 69, 96
203-2	Significant direct economic impacts	43, 69, 96
204-1	Proportion of Spending on Local Suppliers	43
205-1	Operations assessed for corruption-related risks	44
205-2	Communication and training on anticorruption policies and procedures	32
207-1	Approach to Tax	44
207-2	Tax Governance, Control, and Risk Management	44
207-3	Stakeholder Engagement and Management of Concerns Related to Tax	44
<b>ENVIRONMENTAL STANDARDS (00)</b>		
301-1	Materials Used by Weight or Volume	85, 87, 101-102
301-2	Recycled Input Materials Used	85
302-1	Energy Consumption Within the Organization	84, 88
302-3	Energy Intensity	88
302-4	Reduction of Energy Consumption	88
303-1	Interactions with Water as a Shared Resource	84, 91
303-2	Management of Water Discharge-Related Impacts	91
303-3	Water Withdrawal	91
303-5	Water Consumption	91
304-1	IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations	85, 92
304-2	Significant Impacts of Activities, Products, and Services on Biodiversity	92
304-3	Habitats Protected or Restored	93



STANDARD	DESCRIPTION	PAGE
304-4	IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations	93
305-1	Direct (Scope 1) GHG Emissions	90, 101-102
305-5	Reduction of GHG Emissions	90
306-1	Waste Generation and Significant Waste-Related Impacts	84-85, 101-102
306-3	Waste Treatment	Non detected
306-5	Water Discharged by Quality and Destination	None
307-1	Non-compliance with Environmental Laws and Regulations	61, 84, 85, None
308-1	New Suppliers that Were Screened Using Environmental Criteria	84-85
<b>SOCIAL STANDARDS (400)</b>		
401-1	New Employee Hires and Employee Turnover	50, 52, 54
401-2	Benefits Provided to Full-Time Employees that are not Provided to Temporary or Part-Time Employees	53
401-3	Parental Leave	53
402-1	Minimum Notice Periods Regarding Operational Changes	52
403-1	Occupational Health and Safety Management System	47, 53, 58-65
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	58, 63-65
403-3	Occupational Health Services	58, 63
403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	58
403-5	Worker Training on Occupational Health and Safety	58
403-6	Promotion of Worker Health	58, 60
403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	58, 60
403-8	Workers Covered by an Occupational Health and Safety Management System	58
403-9	Work-Related Injuries	58, 63-65
403-10	Work-Related Ill Health	58
404-1	Average Hours of Training per Year per Employee	54, 62, 68
404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	53, 54, 56, 59, 60, 76
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	54
405-1	Diversity of Governance Bodies and Employees	56, 72
405-2	Ratio of Basic Salary and Remuneration of Women to Men	50
406-1	Incidents of Discrimination and Corrective Actions Taken	50, 76
407-1	Freedom of Association and Collective Bargaining	50
408-1	Child Labor	50
409-1	Forced or Compulsory Labor	50
410-1	Security Practices	72
412-1	Operations that have been Subject to Human Rights Reviews or Impact Assessments	47, 54
413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	47, 66, 68-71, 76
414-1	New Suppliers that Were Screened Using Social Criteria	72
415-1	Public Policy	32
416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	68, 71
419-1	Non-compliance with Laws and Regulations in the Social and Economic Area	32, 61, None

# Global Compact








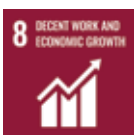

We include a benchmark index for the 10 Principles of the Global Compact of Nations, highlighting our commitment to these universal human rights, labor, environment and anticorruption. This index illustrates how our business policies, practices and strategies align with these fundamental principles, reinforcing our responsible and ethical approach in all our operations.



KEY	PRINCIPLE	PAGE
<b>HUMAN RIGHTS</b>		
GC-1	Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	22, 24, 50
GC-2	Businesses should make sure that they are not complicit in human rights abuses.	22, 24, 50
<b>LABOR RIGHTS</b>		
GC-3	Businesses should uphold the freedom of association and effectively recognize the right to collective bargaining.	50
GC-4	Businesses should support the elimination of all forms of forced and compulsory labor.	50
GC-5	Businesses should support the elimination of child labor.	50
GC-6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	50
<b>ENVIRONMENT</b>		
GC-7	Companies should maintain a preventive approach that favors the environment.	84-85, 88, 90-93, 96, 101-102
GC-8	Businesses should encourage initiatives that promote greater environmental responsibility.	84, 87, 90, 101-102
GC-9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	
<b>ANTICORRUPTION</b>		
GC-10	Businesses should work against corruption in all its forms, including extortion and bribery.	32, 35









# Sustainable Development Goals

We include a Sustainable Development Goals (SDGs) Benchmark in our Sustainability Report to highlight our commitment and efforts towards accomplishing the United Nations' global goals. This index provides a clear and concise overview of how our initiatives, projects and actions align with the 17 SDGs, reflecting our commitment to fostering a more sustainable future.

KEY	SDG	OBJECTIVE	PAGE
SDG-1		End poverty in all its forms throughout the world.	47, 52, 69
SDG-2		To end hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	
SDG-3		To ensure healthy living and promote well-ness for all at all ages.	22, 24, 53, 58-60, 62-65
SDG-4		Ensure inclusive, equitable, quality education and promote lifelong learning opportunities.	54, 67, 69, 104
SDG-5		Achieving gender equality and empowering all women and girls.	22, 24, 72-75
SDG-6		Ensure the availability of water and its sustainable management and sanitation for all.	84-85, 91
SDG-7		Ensure access to affordable, secure, sustainable and modern energy for all.	22, 24, 88
SDG-8		Promote sustained, inclusive, sustainable economic growth, full and productive employment, and decent work for all.	22, 24, 52-54, 61-63, 65, 67, 69, 101-102, 104
SDG-9		Building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation.	69, 101, 102



# SUSTAINABLE DEVELOPMENT GOALS

KEY	SDG	OBJECTIVE	PAGE
SDG-10		Reducing inequality within and between countries.	53
SDG-11		Making cities and human settlements inclusive, safe, resilient and sustainable.	69
SDG-12		Ensure sustainable consumption and production patterns.	22, 24, 35, 85, 87, 101-102
SDG-13		Adopt urgent measures to combat climate change and its effects.	67, 84-85, 88, 90
SDG-14		Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	
SDG-15		Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.	84-85, 92-93
SDG-16		Promote peaceful and inclusive societies for sustainable development, facilitate access to justice for all, and build effective, accountable and inclusive institutions at all levels.	61
SDG-17		Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	53, 66, 84, 96, 104

# Towards Sustainable Mining

Our Sustainability Report includes a benchmark index for the Towards Sustainable Mining (TSM) Canadian sustainable mining model. This index highlights how our operations and strategies align with TSM protocols and objectives, reflecting our commitment to continuously improving our industry's environmental, social and economic performance.

TSM	PROTOCOLS	PAGES
<b>COMMUNITIES AND PERSONS</b>		
<b>Community Relationships</b>		
TSM-1	Community of Interest (COI) Identification	67, 69, 87-88
TSM-2	Effective COI Engagement and Dialogue	92
TSM-3	Effective Indigenous Engagement and Dialogue	No Aplica
TSM-4	Community Impact and Benefit Management	66-71
TSM-5	COI Response Mechanism	66-67
<b>Crisis Management and Communications Planning</b>		
TSM-6	Preparedness	22-25, 32-34
TSM-7	Review	32-34, 36-37
TSM-8	Training	54-57
<b>Safe, Healthy, and Respectful Workplaces</b>		
TSM-9	Commitments and Accountability	58-65
TSM-10	Safety and Health Management Systems	58-65
TSM-11	Training, Behaviour, and Culture	58-65
TSM-12	Monitoring and Reporting	58-65
TSM-13	Physical Safety and Health Performance	58-65
<b>Prevention of Child and Forced Labour</b>		
TSM-14	Prevention of Child and Forced Labour	50-51
TSM-15	Prevention of Child Labour	50-51

TSM	PROTOCOLS	PAGES
<b>ENVIRONMENT</b>		
<b>Tailings Management</b>		
TSM-16	Tailings management policy and commitment	No aplica
TSM-17	Assigned accountability for tailings management	No aplica
TSM-18	Tailings management system and emergency preparedness	No aplica
TSM-19	Operation, maintenance, and surveillance (OMS) manual	No aplica
TSM-20	Annual tailings management review	No aplica
<b>Biodiversity Conservation Management</b>		
TSM-21	Commitment, accountability, and corporate communications in relation to biodiversity preservation.	92-97
TSM-22	Planning and implementation of biodiversity preservation actions at the facility level.	92-97
TSM-23	Generation of reports on biodiversity preservation.	92-97
<b>Water Stewardship</b>		
TSM-24	Water Stewardship	91
TSM-25	Water Management for Operations	91
TSM-26	Watershed-Scale Planning	91
TSM-27	Water Reporting and Performance	91
<b>Climate Change</b>		
TSM-28	Corporate Climate Change Management	88-90
TSM-29	Climate Change Management at the Facility Level	88-90
TSM-30	Goals and Reporting on Facility Performance	88-90



# Independent Verification

Compañía Minera Pangea's 2022 Sustainability Report has been audited on a limited basis following the International Standard on Assurance Engagements (NINEA 3000 - ISAE 3000), as set by the International Auditing and Assurance Standards Board (IAASB).

Value Code is an independent organization that performed the limited verification of the key indicators included in the Sustainability Reports in compliance with the Code of Ethics for Professional Accountants and following the international standards of independence issued published by the International Ethics Standards Board for Accountants (IESBA).

We want to ensure our stakeholders are informed that our reports have been carefully and professionally reviewed, complying in alignment with international assurance standards. We will continue to work to improve enhance our sustainability and transparency practices and look forward to continuing this exercise in our future Sustainability Reports.



# Cautionary Statement

This report contains statements related to the actions, expectations, plans, management, policies and culture regarding the social responsibility and sustainability of Compañía Minera Pangea's operations. This report is presented voluntarily. It is based on the organization's views and estimates as of the date of this information. It is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Compañía Minera Pangea to differ from those expressed or implied in the report.

This report may contain variations due to risks and uncertainties that could cause results to differ materially from actual expectations expressed or implied. These includes factors beyond Company's control, such as those related to the impact of the pandemic caused by COVID-19 on our employees, suppliers, supply chain, general economic conditions, risks associated with the mining industry, political, economic and social risks in the region in which we operate, risks related to litigation, the state of the currency and capital markets, environmental risks and hazards, uncertainty regarding the estimation of mineral resources and reserves, the risk of delisting from public exchange and other risks.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in the information presented herein, other factors may cause results to differ materially from those anticipated, estimated or forecasted. All information contained herein is subject to this cautionary statement.

All information in this document is presented in U.S. dollars, except where another currency is indicated.



Compañía Minera Pangea  
Blvd. Antonio Rosales 855 Altos 12  
Col. Morelos, CP. 81460  
Guamúchil, Sinaloa.  
Tel. +52 (673) 734 1990



McEwen Mining Inc.  
150 King Street.  
West Suite 2800  
Toronto, Canada





**McEwen Mining Inc.**

150 King Street.  
West Suite 2800 Toronto, Canada  
[www.mcewenmining.com](http://www.mcewenmining.com)



**Compañía Minera Pangea**

Blvd. Antonio Rosales 855 Altos 12 Col.  
Morelos, CP. 81460 Guamúchil, Sinaloa.  
Tel. +52 (673) 734 1990

