
CERRO DE PASCO RESOURCES INC.

CORPORATE SOCIAL RESPONSIBILITY, ENVIRONMENTAL & SAFETY POLICIES

At Cerro de Pasco Resources Inc, (CDPR), corporate social responsibility (CSR), environmental, community, and safety concerns are vital cornerstones in the development of any project. To ensure that these matters receive the utmost attention throughout the life-cycle of our projects, CDPR works with internationally-recognized experts in the fields of CSR; environmental assessment and management; stakeholder engagement; social and community development; safety and health; as well as, world-class specialists in water quality, air quality, waste management, hydrology, hydrogeology, soils, geochemistry, ecology, biodiversity issues, and archeology/cultural issues.

CDPR predominantly identifies and selects projects based on cost effective, sustainable and environmentally acceptable methods of mineral extraction. At CDPR, we believe that we are successful not only when our economic goals are achieved, but also when our projects are developed and operated under the principles of sustainability, i.e. - meeting the needs and aspirations of the present generation without compromising the opportunity of future generations to fulfil their needs and aspirations.

CDPR has a rigorous commitment to the principles of corporate social responsibility (CSR), sound environmental practices, and positive community involvement in its projects; to that end, the Company has strong, formal policies on these matters as presented below. In summary, CDPR is committed to modern, responsible natural resource development and mining.

The CDPR CSR and ESG Policies is comprised of 4 separate policies that are listed below:

1. [Corporate Social Responsibility Policy](#)
2. [Environmental Policy](#)
3. [Social and Community Affairs Policy](#)
4. [Safety and Health Policy](#)

1. CORPORATE SOCIAL RESPONSIBILITY POLICY

Our Values

At Cerro de Pasco Resources Inc., we are committed to making a positive difference in the communities in which we live and work. We recognize that responsible behavior --- “doing the right thing” – is the cornerstone for creating opportunities to generate greater value for our shareholders, while at the same time fostering sustainable development in the countries and communities where we operate. We endeavor to earn the trust of all with whom we interact, whether they be our employees, the communities where we live and work, the governments that host us, or any other stakeholders with whom we engage in the sustainable development of mineral resources.

We endorse the definition proposed by the International Organization for Standardization (ISO), in its 26000:2010 Standard that defines Corporate Social Responsibility as follows:

The responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that:

- *contributes to sustainable development, including health and the welfare of society;*
- *takes into account the expectations of stakeholders;*
- *is in compliance with applicable law and consistent with international norms of behavior; and,*
- *is integrated throughout the organization and practiced in its relationships.*

Our Approach

The Four Pillars

The following four pillars guide Cerro de Pasco Resources Inc. in its conduct of business around the world.

Ethics

We conduct our business with high ethical standards and in accordance with all applicable laws, rules and regulations of our host countries. We endeavor to act as a responsible corporate citizen and to engage in constructive public dialogue and informed debate on issues of importance to the Company, the mining industry and the communities in which we operate.

Cerro de Pasco Resources Inc. is committed to fair and ethical labor practices.

Cerro de Pasco Resources Inc. respects human rights and the interests, cultures, customs and values of employees and communities affected by our activities.

Employees

Cerro de Pasco Resources Inc. values each of our employees and observes the fundamental aspects of human rights, safety, and non-discrimination in the workplace. We encourage accountability and employee involvement in issues affecting the workplace to help improve safety and work conditions, as well as our efficiency and our business. We also recognize that generally-accepted international practices in this important area continue to evolve and that, accordingly, we must learn and evolve as a business as well.

Community

Cerro de Pasco Resources Inc. fully considers environmental, social, cultural, governmental, and economic factors when evaluating project development opportunities. In those communities in which we operate, we interact with local residents, governments, non-governmental organizations, international agencies, and other interested groups to facilitate long-term and beneficial resource development.

We strive to build partnerships in community entrepreneurial endeavors that contribute to enhancing local capacity. We also commit to providing financial support of organizations through our charitable donations, budgets and policies. Cerro de Pasco Resources Inc. believes that company philanthropy and employee volunteering are key aspects for building effective, positive community relationships.

Cerro de Pasco Resources Inc. respects the interests of all members of the communities in which we conduct business and encourages open and constructive dialogue and interaction with them. We take the responsibility to listen carefully, be responsive, and provide information that is accurate, appropriate and timely.

Environment, Health and Safety

Cerro de Pasco Resources Inc. will comply with all environment laws and regulations, as well as, conform to generally-accepted, good international industry practices, on the sites where we operate. We encourage wise environmental stewardship and diligently apply proven management and pollution controls to achieve this goal. Through our comprehensive environmental management programs, we are committed to ensuring that potential environmental impacts are adequately addressed; and, that proper modern mitigation measures and controls are in place to avoid, reduce, ameliorate, remediate, and/or reclaim any such impacts.

At Cerro de Pasco Resources Inc., we are committed to providing a safe work environment. We expect all employees and contractors to work in accordance with company safety and occupational health management policies. Our goal is to have zero accidents at our operations.

2. ENVIRONMENTAL POLICY

Cerro de Pasco Resources Inc. believes that, while production and costs are certainly critical to the well-being of the Company, these considerations must never take precedence over the safeguards for the environment in which we operate, and the safety & health of the workplace environment for our employees. As a responsible corporate citizen, it is our commitment to: minimize detrimental impacts to the environment from our operations; provide a safe and healthy workplace environment for our employees; and, be a positive contributor to the social & economic environment for the local people where we operate.

To achieve these Environmental Policy objectives, Cerro de Pasco Resources Inc. will:

- Assess, and address in decision-making, the potential environmental impacts associated with a project over its full life cycle --- including pre-development, construction, operation, closure and post-closure.
- Identify, assess, measure and manage environmental risks, and apply accepted safeguards, at every stage of a project's life cycle, including operational products.
- Comply with applicable governmental environmental laws and regulations in host counties where we operate; and in jurisdictions where such are absent or inadequate, apply international industry practices to avoid, minimize, mitigate or remediate environmental impacts.
- Communicate the importance of these environmental protection measures to our employees, contractors, suppliers, investors, partners and other relevant stakeholders.
- Review the effectiveness of environmental protection and management programs, and act on the results, to achieve continual improvement in the Company's environmental performance.
- Use resources efficiently; and, promote new, safe, efficient technology in the Company's operations.

3. SOCIAL & COMMUNITY AFFAIRS POLICY

Communities are of paramount importance to our operations as they are most often our first point of contact. They are also a vital source of employees for our workforce. In keeping with the philosophies of accepted sustainable development practices, we pay close attention to a community's economic, social and environmental needs and expectations. Respect for the communities in which we operate is demonstrated through our efforts to build strong and long-term relationships with governments, suppliers, local partners, neighbors, employees, and other stakeholders.

To promote a positive community environment, Cerro de Pasco Resources Inc. will:

- Responsibly and ethically manage our relationships with the stakeholders in the projects that we develop; and, in the local communities in which we operate.
- Recognize that communities and the environment are interdependent; and, be accountable for the effects and potential consequences our actions have on both.
- Value cultural heritage; respect the traditional rights of indigenous peoples; and, acknowledge and accommodate cultural differences, preferences and lifestyles.
- Promote open, honest communication with people in the communities where we operate; and, consider their perceptions, opinions and concerns in our decision-making throughout the life cycle of our operations.
- Advance the sustainable development of host communities by forming local partnerships and improving economic benefits.
- Ensure that there is a formal grievance process for affected communities and other stakeholders that is responded to and managed appropriately.
- Advocate the responsible use and management of our products throughout the life of the project.
- Support community-based projects that have a positive effect and are sustainable.
- Review our social performance in the communities and communicate our progress to local stakeholders and people.

4. SAFETY & HEALTH POLICY

Cerro de Pasco Resources Inc. is committed to achieving a zero-incident work environment with a safety culture based on teamwork and safety leadership. We will comply with all applicable national safety laws of host countries, as well as, conform with generally-accepted international standards of good practice, in addition to conforming to our own policies and high standards of safety and health.

The company's **Safety and Health Policy** states that:

We Believe.....

- Nothing is more important to our company than the safety, health and well-being of our workers and their families.
- All injuries and occupational illnesses are preventable, and there is no job worth doing in an unsafe way. None!
- We are a team treating everyone with respect, building trust, listening to understand safety and health issues while supporting each other to work in a safe and healthy manner and in compliance with all applicable rules and regulations.
- We are courageous safety leaders who act with a sense of urgency to eliminate or effectively control safety and health hazards.

We Promise.....

- To continuously identify and implement safe and healthy ways to do the job.
- To pursue continual improvement in our health and safety performance.
- To maintain a high degree of emergency preparedness.
- To keep safety and health as a value that drives overall performance.
- To hold each other accountable for superior safety and health practices and to provide the leadership and resources needed to achieve our vision.
- To encourage each other to be champions of safety and health both on and off the job.

Our company has implemented key safety programs and activities, including: systems and policies; training for all employees; special training for emergency response teams; performance measurement; risk assessment processes; recognition programs for safety achievement; and, a steady flow of information that keeps people focused on continuous safety improvement.

Our company's approach is outlined in the Cerro de Pasco Resources Inc. Safety and Health Management System (SHMS), which identifies nine elements for building a safe workplace and creating a strong safety culture. This SHMS is under development.

- 1. Leadership and Personal Commitment:** Our leaders have a responsibility to create and promote a safe workplace by demonstrating visible felt leadership, being active and visible in the field, participating in site safety and health committees, interacting positively with workers and coaching them on good safety behaviors. CDPR encourages all employees to be safety leaders, speaking up about any safety concerns and taking personal responsibility for their safety and the well-being of co-workers.
- 2. Training and Competence:** Our company ensures that every employee has training to obtain the skills and knowledge to perform the job safely. CDPR provides employees, contractors, and visitors with orientation, refresher courses, and numerous other programs that reinforce the safety culture.
- 3. Risk Management:** An annual risk assessment at each site identifies risks and the controls to put in place to mitigate them. Our company people use procedures such as field level and formal risk assessments to identify and eliminate or control hazards. All work site changes require planning, training and communication. A management-of-change process is in place at every site.
- 4. Operational Controls and Procedures:** Safety risks and hazards can be eliminated or mitigated to help prevent incidents. Our company sites are equipped with personal protective equipment standards, mobile equipment guidelines, health exposure controls, and many other standards and procedures to protect the well-being of employees. Regular monitoring ensures controls are effective.
- 5. Health and Wellness:** Poor health increases safety risk, so our company monitors all sites to ensure they are meeting industrial hygiene standards, including regulations on dust, noise control, and ergonomics. Our company also promotes wellness, including stop-smoking programs, fatigue management, travel security training, and other initiatives.
- 6. Contractor Controls:** Contractors on our company sites must meet the same high safety standards as the company's own employees. A good safety record is an important factor in contractor selection, and we monitor safety performance throughout the contract.
- 7. Incident Investigation:** All incidents are investigated to determine the root cause and prevent future events.
- 8. Emergency Preparedness:** Safety systems aim to prevent all incidents; however, our company also maintains a high degree of emergency preparedness. Our company teams receive special training on rescue, illness, fire, chemical release, natural disasters, terrorist activity and various

other potential emergencies. Each site has people and supplies in place, with teams practiced in implementing an emergency response plan.

- 9. Performance Measurement and Assessment:** We monitor the safety performance of every site. The company conducts regular reviews and audits of guidelines, standards and systems to identify areas for improvement, test compliance and ensure a high standard.

By implementing strong programs and processes in each of these nine areas, our company works to ensure a safe workplace and a culture that holds safety as its top priority.