



Towards Sustainable Mining
Vers le développement minier durable

TSM Verification Summary Report

Facility Information

Name of company	Yamana Gold
Name of facility	El Peñon
Address	Office General Velásquez 890, oficina 607 Antofagasta, Chile Mine Site 160 km suroeste Antofagasta, Chile
Country of operation	Chile
Products/metals produced on site	Gold
Types of operations included in scope:	
Mining	<input checked="" type="checkbox"/>
Concentrate blending	<input type="checkbox"/>
Smelting	<input type="checkbox"/>
Refining	<input type="checkbox"/>
Other (<i>please explain</i>)	
Types of infrastructure included in scope:	
Roads	<input type="checkbox"/>
Rails	<input type="checkbox"/>
Ports	<input type="checkbox"/>
Other (<i>please explain</i>)	



Verifier and Verification Information

Verification firms	Borealis Environmental Consulting Inc., RDZ Consulting, Cedar Water Strategy
Confirmation that all verifiers involved in the verification are accredited TSM verifiers	(Yes or No) Yes (see https://mining.ca/wp-content/uploads/dlm_uploads/2021/07/2021-July-VSP-Contact-List.pdf)
Date(s) of verification activities (dd/mm/yyyy – dd/mm/yyyy)	15/09/2022 – 16/01/2023
Verification period	2019-2022
Summary of the verification methodology	<p>Original scope and conduct of the verification was as follows:</p> <ol style="list-style-type: none"> 1) kick-off meeting to initiate the verification and develop consensus regarding the process, communication and deliverables (<i>corporate staff and verifiers</i>); 2) initial review of the company's self-assessment scores, and the basis for these scores (use of company-completed evaluation spreadsheets, which include: self-assessed score; rationale for score; and, links to documentary evidence on a shared drive) (<i>verifiers</i>); 3) protocol-specific desktop reviews and evaluations of documentary evidence (against protocols) provided by corporate and site staff (<i>verifiers</i>); 4) site visit and in-person interviews with site staff conducted to follow up on, and clarify, aspects of the documentation review (<i>site visit verifier</i>); 5) virtual interviews (protocol-specific) with corporate and site staff, as appropriate, conducted to follow up on, and clarify, aspects of the review of documentary evidence (<i>verifiers</i>); 6) Community of Interest (COI) interviews conducted to determine alignment between stakeholders and site/company (<i>verifiers</i>); 7) following the interviews with corporate and site staff, outstanding documentary evidence provided to verifiers (<i>company staff, both corporate and site</i>); 8) comprehensive evaluation of all protocol-specific documentation reviewed against TSM protocol elements to determine scores (<i>verifiers</i>); 9) scores provided to the company to ensure accuracy of the basis of the evaluation (<i>verifiers</i>); and,



	10) assemble findings, prepare draft report (including review by the company), and submission of final verification results to the company and the Mining Association of Canada (MAC) (<i>verifiers</i>). NOTE: Tailings Management Protocol out of scope for this team of verifiers.
Summary of the verification activities	Verification activities were modified, as follows: There were several (up to three, depending on protocol) iterations of items 5, 7, 8 and 9 – listed above - to help clarify documentary evidence (or lack thereof), in particular, for those protocol elements for which verifier scores did not align with company scores.

Summary of Findings

Criterion Protocol/Indicator	Rating <i>C, B, A, AA or AAA (unless otherwise indicated)</i>	Gap to next level above and Comments
Indigenous and Community Relationships		
1. Community of Interest (COI) Identification	A	Self-assessed as non-compliant.
2. Effective COI Engagement and Dialogue	A	None of the AA requirements were met (e.g. evidence of COI feedback on engagement and outcomes actively sought and publicly reported on).
3. Effective Indigenous Engagement and Dialogue	N/A	It was confirmed through third-party documentation that there are no impacted or interested Indigenous communities in the vicinity of the El Peñon mine.
4. Community Impact and Benefit Management	B	No evidence regarding processes and measures to avoid differential benefit impacts to local community, including, but not limited to, participation of under-represented COI.
5. COI Response Mechanism	B	No demonstrated evidence of a formal response process, only informal via triannual community meetings. No confirmatory interviews with community undertaken.



Safety and Health		
1. Commitments and Accountability	A	Corporate review (an internal audit) should provide an independent verification of the site self-assessment (following the definition of the TSM Verification Guide).
2. Planning and Implementation	A	Same as Indicator 1.
3. Training, Behavior and Culture	AA	A leadership indicator of safety interactions of each area manager at site as part of governance meetings (Acercamiento de Seguridad).
4. Monitoring and Reporting	A	Same as Indicator 1.
5. Performance	AA	External (third-party) audit that covers all criteria in the protocol that provides a verified rating for each indicator in the protocol.

Crisis Management and Communications Planning (Indicate YES or NO)		
1. Crisis Management and Communications Preparedness	Yes	[Recommendation: ensure that telephone log sheets are prepared for crisis scenarios.]
2. Review	No	Evidence of: 1) crisis management team being notified twice a year; and, 2) training of new crisis team members.
3. Training	Yes	

Preventing of Child and Forced Labour (Indicate YES or NO)		
1. Preventing Forced Labour	Yes	
2. Preventing Child Labour	Yes	

Energy and GHG Management		
1. Energy use and Greenhouse Gas Emissions Management Systems	AA	Procurement and Supply Chain considerations explicitly indicating Energy and GHG Management expectations.
2. Energy use and Greenhouse Gas Emissions Reporting Systems	A	Public reporting of performance objectives and Energy and GHG reductions targets at the site level (based on Corporate targets).



3. Energy use and Greenhouse Gas Emissions Performance Targets	A	Emissions performance targets for three of the past four years, to meet El Peñon energy use and GHG reductions.
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Biodiversity Conservation Management		
1. Corporate biodiversity conservation commitment, accountability, and communications	A	None of the AA requirements were met. [Recommendation: finalize and approve the wildlife watching procedure.]
2. Biodiversity conservation planning and implementation	A	None of the AA requirements were met.
3. Biodiversity conservation reporting	A	Evidence that monthly reports, which support management decision-making processes, are presented to site management at the facility. Documentation that the facility's public reporting on biodiversity is independently verified and was conducted within the past 3 years.

Tailings Management		
1. Tailings management policy and commitment	N/A	This protocol verified under separate cover.
2. Tailings management system and emergency preparedness	N/A	This protocol verified under separate cover.
3. Assigned accountability and responsibility for tailings management	N/A	This protocol verified under separate cover.
4. Annual tailings management review	N/A	This protocol verified under separate cover.
5. Operation, maintenance, and surveillance	N/A	This protocol verified under separate cover.

Water Stewardship		
1. Water Governance	AA	External (third-party) audit that covers all criteria in the protocol and provides a verified rating for each indicator in the protocol.



2. Operational Water Management	A	Water balance calculations for new permit requirements (including closure) need to consider a climate change assessment criterion, even if impacts will be minor in the area.
3. Watershed-scale Planning	A	Evidence on water-related risks pertaining to COIs. As there are no other water users, the focus of the COI engagement could comprise interactions with water authorities in the region.
4. Water Reporting and Performance	A	Independent verification to evaluate the accuracy of public reporting on water.

Statement of Verification

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The external verification was conducted in accordance with the <i>Terms of Reference for Verifiers</i> and, accordingly, consisted primarily of interviews, data analysis, and examination (on a sample basis) of other evidence relevant to management's assertion of conformance to the requirements of the TSM performance indicators.	YES The external verification was conducted in accordance with the <i>TSM Verifier Terms of Reference</i> . NOTE: This verification included a site visit conducted between Oct 4 – 6, 2022.
The scores indicated in this report are verified as being accurate based on the evidence reviewed during the external verification of this facility.	YES The scores in this report are considered accurate based on this verification.
Limitations	
Additional comments	
Name of lead verifiers	Guy Gilron, MSc, RPBio, ICD.D (Borealis Environmental Consulting Inc.) Fernando Rodriguez, MSc (RDZ Consulting Inc.) Amiel Blajchman, MES, P.Ag. (Cedar Water Strategy)
Date of statement of verification	January 25, 2023



Signatures of lead verifiers

**BOREALIS ENVIRONMENTAL CONSULTING
INC.**

**Guy Gilron, M.Sc., R.P.Bio., ICD.D, Senior
Environmental Scientist/Principal**

RDZ CONSULTING INC

**Fernando Rodriguez, M.Sc.
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CEDAR WATER STRATEGY

**Amiel Blajchman, M.E.S., P.Ag.
President**