



Environmental, Social and Governance Report 2021



Lagunas Norte mine and processing facilities

WHO WE ARE

Boroo is an employee oriented, result focused multicultural mining company with a strong portfolio of operating, advanced development and exploration assets across the world.

Our approach is to have a positive impact on the economies of our local communities and host countries to bring today's dream into tomorrow's reality. As a company, we are committed to the principles of responsible mining and delivering sustainable value to all stakeholders, including our employees, contractors, suppliers and local communities. Boroo is trusted to unlock the full benefits of the material we mine for all those invested in its discovery and production.

OUR APPROACH

Boroo is focused on achieving long-term shareholder value and engaging in developing strong, sustainable communities for our people, stakeholders and host communities, now and in the future. We work in partnership, helping to create resilient and self-sustaining communities, where people are equipped with the skills, knowledge and expertise needed to prosper.

HEALTH AND SAFETY

At Boroo, our approach to health and safety is to adopt a proactive approach to prevent occupational injuries and work-related illnesses. Our aim is 'Zero' accidents or safety incidents. This is a collective responsibility involving all our employees, contractors and our communities; furthermore, we require our contractors to comply with our health and safety principles.

OUR VALUES

Boroo has 5 values that guide our work and how we interact with others.



Zero Harm



Value our People



Sustainability



Collaboration



Deliver Results

Boroo Gold Mine





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Lagunas Norte Gold Mine

ABOUT US

Boroo is a privately held global gold mining company with headquarters in Singapore. We acquired our first production asset, the Boroo Gold Mine (BGM), in October of 2018 and experienced recent growth through the acquisition of the Lagunas Norte gold mine in June of 2021. At the time of release of this interim report, Boroo's production assets include these two gold mining operations, located in Mongolia and in Peru respectively.

Environmental, Social and Governance (ESG) matters are core to our management of risk and opportunity. While each site had its own operational management of risk prior to the establishment of Boroo, the consolidation of interests has resulted in the development of Boroo's ESG management approach. At the time of preparing this report, we are in an ongoing process of consolidating our approach and strategy to ESG management across the group. Our commitment is to manage the business in accordance with internationally recognised ESG practices. We believe that a sustainable and responsible business will have broad access to markets, people, resources, and capital. This report reflects our current position on ESG matters and our future expectations for continuous improvement.

This ESG report (hereinafter 'the report' or 'ESG report') provides disclosures on ESG matters for Boroo Pte Ltd. (hereinafter 'Boroo', 'we' or 'the company'). The ESG information in this report provides a current snapshot of our approach and performance in identifying and managing material ESG risks. In 2022, a full-year retrospective will be provided that includes all sites' performance as part of the Boroo group.



Artificial Pond at Boroo Gold Mine

MONGOLIA: THE BOROO GOLD MINE

BGM is a conventional open pit mine started in 2003 and located in north central Mongolia, Selenge Province in Bayangol and Mandal counties (known as soum in Mongolia) approximately 140 kilometers (km) northeast of the capital Ulaanbaatar. The mine site is in an arid steppe-forest zone that receives approximately 250 millimeters (mm) precipitation annually and has an average elevation of approximately 1,200 meters (m) above sea level. The area is rural, characterized by settlements located approximately 20 to 30 km from the mine tenure. The predominant land use is transient herding. Until 2018, BGM was owned by Centerra Gold Inc. and since then, it has produced 1.8 million ounces (Moz) of gold from ore having an average of 2.0 grams per tonne (g/t). The ores extracted from BGM mines are processed in the BGM Mill through a carbon-in-leach process, with a capacity of 5,500 tonne per day (tpd) and the Boroo Heap Leach (carbon-in-column), with a capacity of 8,000 tpd. The BGM operation uses ores from existing and extended open pit hard rock deposits, including the satellite Ulaanbulag pit, as well as placer deposits located within the BGM concession area.

PERU: THE LAGUNAS NORTE MINE

Lagunas Norte is a traditional open-pit truck-and-shovel heap leach operation that has been in continuous production since 2005. The mine site is located in north central Peru approximately 140 km east of the coastal city of Trujillo, in Quiruvilca District, Santiago de Chuco Province, La Libertad region. The location has an elevation of approximately 3,700 to 4,200 m above sea level and is rural, with all settlements located outside of the active mining perimeter. The area is a net precipitation zone, receiving on average around 1,500 mm of annual rainfall. Until May 31, 2021, the mine was operated by Barrick Gold Corporation and has produced over 10 Moz of gold. Under Boroo ownership the property is expected to produce around 4 Moz of gold, with an anticipated life of mine of 25 years.



Lagunas Norte Gold Mine





THE LOCATIONS OF THE ASSETS ARE SHOWN BELOW.



PERU
South America

MONGOLIA
Central Asia

PERU

-  Lagunas Norte Gold Mine
-  LN Exploration Targets

MONGOLIA

-  Boroo Gold Mine
-  Ulaanbulag Gold Mine

 Operating Mine  Exploration Target



Ulaanbulag Gold Mine



Boroo Gold Mine



Lagunas Norte Gold Mine

CEO MESSAGE

Dulguun Erdenebaatar
Chief Executive Officer



Our performance on ESG matters is core to our operational and strategic performance. It reflects our values and the way in which we relate to our stakeholders: our people, the communities of which we are a part, our investors and our customers. We believe the sustainability of our organization is tied to the wellbeing of our society and the environment that we all share.

This is our first public ESG report. It will be one of many over the years as we transparently share the details of our ESG journey with you. We will develop our ESG programs, formal reporting, broader communication and assurance progressively over that time. Maintaining trust with our broad range of stakeholders is vital for us to operate a sustainable and successful business.

The last two years have been unprecedented with the global challenges presented by the Covid-19 pandemic. Like many other mining companies, Boroo put in place a range of programs aimed at protecting our workforce and communities, while at the same time continuing to operate the business with resilience. I am proud of, and grateful to, all our people for enabling us to achieve these aims.

“The transformative acquisition of Laganas Norte positions Boroo to realize its strategic goal to become a global mid-tier precious metal producer within the next three years.”



“

Boroo is well positioned to create value for its stakeholders while adhering to world class standards for environmental stewardship and community relations.

”

Despite these recent challenges, Boroo finds itself at an exciting and challenging juncture in mid-2021. We have continued to grow our presence in the market with the acquisition of the Lagunas Norte mine in Peru. Lagunas Norte fits well with our strategy of turning around undervalued assets through innovation, operational excellence, and disciplined capital allocation. Together with our Boroo and Ulaanbulag gold mines in Mongolia, we are advancing on our vision of becoming a global mid-tier metals producer.

We operate with a firm commitment that all our people – our employees and our contractors – return home safe and well every single day. The health and safety of everyone, wherever we work, is a defining priority for us and we will work tirelessly on improving our performance every day, year on year. More broadly, Boroo commits to excellence in our management of ESG factors wherever we operate. It is a personal commitment from me, and from my executive team, that we will drive a culture of ESG performance. Our accountability is reflected in our newly created Board Audit and Risk Committee which will oversee our ESG risk management.



A suite of policies has been developed to keep us at the forefront of industry efforts to protect and create societal value, and guide us in managing ESG challenges. They apply to all operations and all support centers. We are in the process of consolidating our site level ESG programs under these newly emerging policy and management structures. These programs are designed to build resilience into our business so that we can proactively evaluate and respond to a range of challenges and opportunities we face such as the ongoing Covid-19 pandemic, climate change, evolving political landscapes, and the planning and execution of exploration and capital projects needed to grow our company.

We hope this introduction to our ESG journey provides you with insights to our societal values, our detailed efforts to uphold those values and our drive for holistic performance. We believe it positions us strongly to take the company into the future.

Dulguun Erdenebaatar
Chief Executive Officer

BOROO GOLD MINE

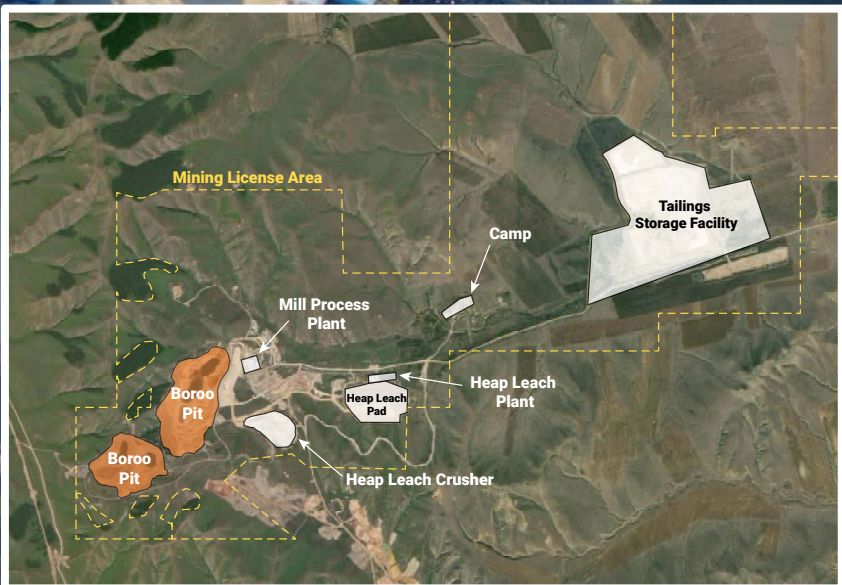




Boroo Gold Pit



Boroo Gold Site Camp & Alluvial Operations



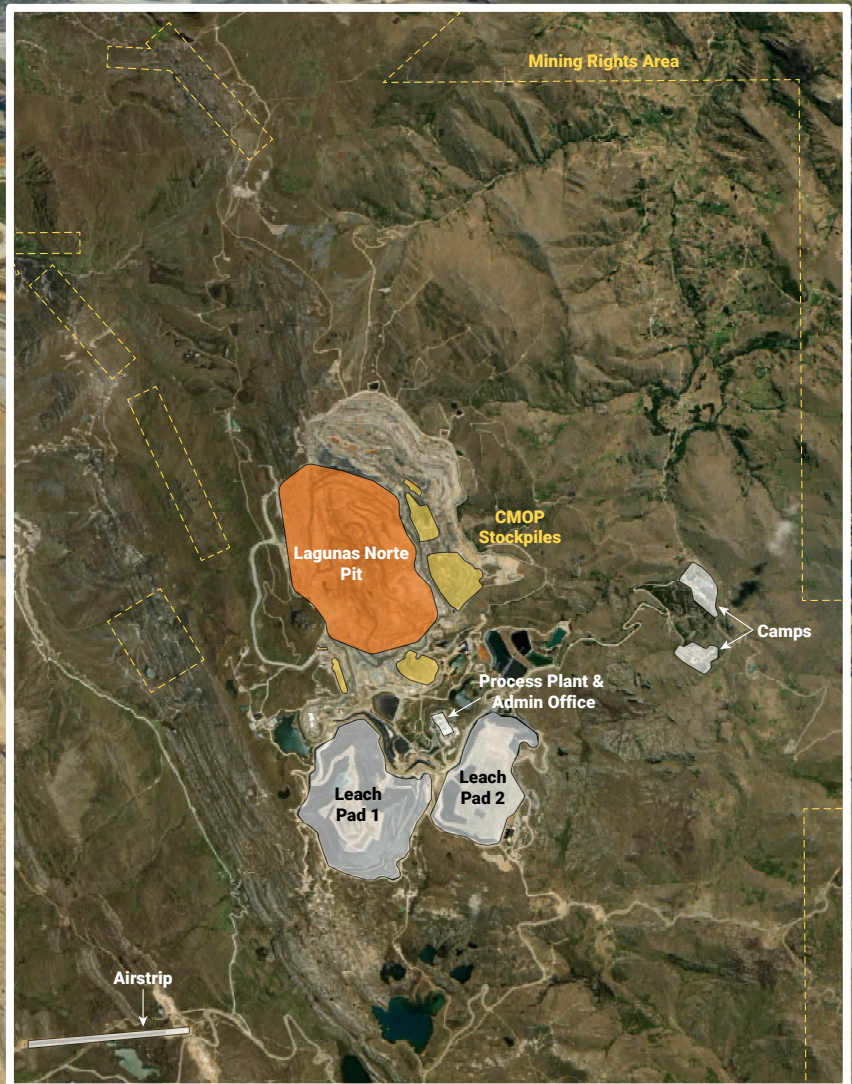
Boroo Gold Site Map

LAGUNAS NORTE GOLD MINE





Lagunas Norte ARD Water Sedimentation Pond



Lagunas Norte Site Map

MISSION, VISION AND STRATEGY

We intend to become a global mid-tier metals producer, known for quality assets, reliable and value-accruing production and contemporary ESG performance. We will pursue international metal mining opportunities to grow and create value for our stakeholders while adhering to world-class standards for safety, the environment, our workforce, and the communities in which we operate. Boro's strategy for attaining our vision and mission emphasizes strong governance, efficiency, innovation, operational excellence, disciplined capital allocation and a responsible approach to ESG which is an integral part of how we do business.

GOVERNANCE

Our leadership team collectively shares responsibility and accountability for meeting our organizational goals.



01 Stephen Crosby
SEVP, Engineering and Technical Service

02 Tsolmonbaatar Boris
SEVP, Strategic Matters

03 Yeoh Meng Yau
Chief Financial Officer

04 Khurelbaatar Ganbat
EVP, Investor Relations

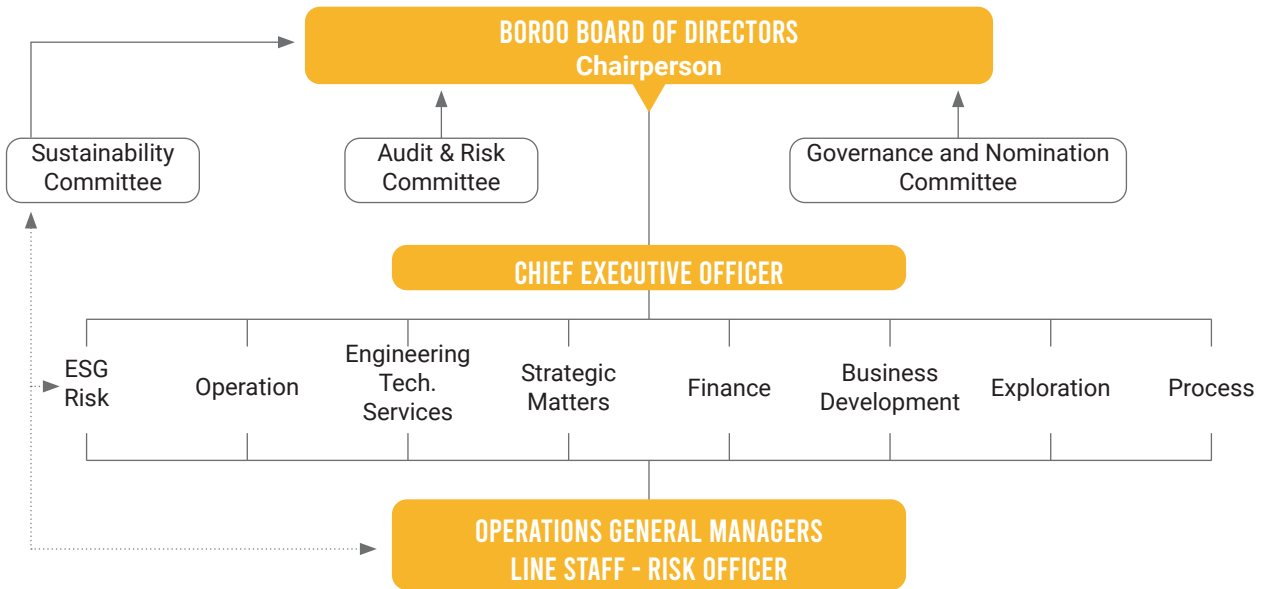
05 Altan-Ochir Erdenechuluun
EVP, Business Development

06 Jonathon Currant
Processing Executive

07 Bilegtuvshin Dorj
Exploration and Growth Manager

GOVERNANCE *Con't*

Boroo's organizational structure, with emphasis on the reporting lines for ESG risk management, is shown below.



Our vision and mission are being attained through policy development and implementation, which is driven by our corporate values. We operate with a culture that values holistic performance, through the following:

- Attaining Zero Harm
- Empowering Employees
- Achieving Sustainability (ESG)
- Encouraging Collaboration
- Delivering Results

ESG POLICIES & STANDARDS

We have adopted the following set of key policies and standards. These policies will be reviewed regularly, and at least annually, to ensure they are consistent with evolving stakeholder expectations. As we develop our ESG programs, we expect to introduce further policies.

- **Human Rights Policy:** includes commitments to the United Nations Guiding Principles on Business and Human Rights, the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the

Voluntary Principles on Security and Human Rights.

- **Global Harassment and Violence Standard:** We are committed to maintaining a work environment in which people are treated with dignity and respect. We aim to have an environment based on mutual trust and will not tolerate discrimination, harassment or violence of any kind.
- **Anti-Bribery and Anti-Corruption, and Anti-Fraud Policies:** commits us to uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we conduct business, including, in Singapore, *Prevention of Corruption Act 1960*, US Foreign Corrupt Practices Act and Canada's *Corruption of Foreign Public Officials Act 1998*, which applies to both private and public sectors.
- **Anti-money Laundering and Combating Financial Terrorism Policy:** commits us to comply with all applicable anti-money laundering laws, and laws combating financial terrorism, for our worldwide operations.

- **Payment to Government Agencies Procedure:** provides guidance to all Boroo sites which routinely employ public security or any other government agency to perform security and monetary support. It includes procedures for approval and record keeping for such transactions.
- **Occupational Health and Safety Policy:** applies the concept of 'zero harm'. It commits to comply with all relevant statutory obligations. It also commits to providing adequate resources to identify all potential hazards and maintain safe systems of work. Our Occupational Health and Safety (OH&S) Policy maintains health and safety competency and integrates health and safety requirements in all aspects of business. It ensures incidents are reported and thoroughly investigated with a view to preventing similar events reoccurring.

ESG POLICIES AND STANDARDS *Con't*

- **Environmental Policy:** includes the commitment to meet or exceed all legal and regulatory requirements for environmental management and protection, and to apply industry leading practice standards to protect the natural environments in which we operate.

These corporate policies are applicable across all Boroo operations and form part of site level ESG management frameworks. We also require our suppliers of goods and services to follow these or equivalent policies. Training modules are prepared for all policies, and appropriate employee groups at each site have begun receiving training and certification.

RISK MANAGEMENT APPROACH

We inherited mature risk management systems with the acquisition of each asset. Differences; however, exist between the two sites that are attributable to legacy ownership. We are in the process of transitioning to common approaches across the portfolio. This includes developing an environment and social management framework in which systems will be aligned under Boroo corporate governance and oversight.

We have appointed an executive responsible for Boroo's ESG risk management. Processes are in development to optimize and integrate risk management methods across both operating sites. A key objective of this is to assure that the highest priority risks are communicated to the executive level in a timely, accurate and consistent manner for action and monitoring.

Currently, the BGM site maintains registers that focus on environmental and operational health and safety risks. These registers incorporate the consideration of likelihood and consequence of risks, and the

controls used to manage them. The safety and environmental risk processes at BGM draw upon aspects identified under their respective compliant environmental and safety management systems. ISO14001 – Environmental Management Systems (ISO14001), and ISO45001 – Occupational Health and Safety (ISO 45001).

The Lagunas Norte site has mature processes for evaluating risks associated with all operational departments. Within departments additional measures are in place to assure that each process and procedure is subject to risk assessment. Risks are captured on a register that includes, similar to BGM, the consideration of likelihood, consequence and controls. Risks are rolled up into a master registry maintained by a designated staff resource.

Both sites review risk registers on an annual basis, or when new processes are introduced.

LEGAL COMPLIANCE

The BGM and Lagunas Norte sites have management measures for ensuring compliance with their relevant legal obligations and commitments. The BGM compliance department has a document management system that tracks legal obligations associated with permits and licenses. Compliance responsibilities also reside within the operational departments, which identify potential issues through the administrative hierarchy for attention by the compliance department. At Lagunas Norte, responsibility for legal compliance is shared between the legal group and the functional areas. The legal group operates a system for tracking all commitments, including environmental, social and safety obligations. The system generates alerts when new regulations are formalized. This system informs key functional areas such as the environmental, safety

and community departments of new or changed regulations so that compliance can be ensured.

EXTERNAL ALIGNMENT FRAMEWORKS

We consulted a select set of external sustainability standards and guidelines to inform the development of our ESG management framework. To evaluate the company's alignment with common ESG principles, we commissioned a high-level review of our operations against the Risk Readiness Assessment (RRA) of the Responsible Minerals Initiative (RMI).

The RRA identifies 32 risk areas common to minerals extraction and processing, each defined by an associated 'industry norm' criteria. The RRA was developed by RMI through their review of the complex landscape of standards, initiatives and certifications related to responsible mining and minerals processing globally. The RRA process serves as a contemporary benchmark on what constitutes good industry practice. Our review identified opportunities for improvement to ensure we fully meet all the requirements of RRA. We are committed to implement these improvements over the next two years.

To this analysis we also added the disclosure standards for Metals and Mining of the Sustainability Accounting Standards Board (SASB). These standards provide a set of sustainability metrics commonly used by institutional investors and securities exchanges around the world. The standards enable businesses to identify, manage and communicate financially-material sustainability information to their investors. Consideration of SASB sustainability disclosures provides a second perspective on how we align with criteria of importance to capital markets.

EXTERNAL ALIGNMENT FRAMEWORKS *Con't*

The Boroo ESG policies identified in preceding sections also refer to other internationally accepted frameworks applicable to those topic areas, including conventions on human rights, anti-bribery, anti-fraud and anti-corruption.

We believe that good governance includes independent assurance to verify that we are identifying and managing our ESG risks in accordance with recognised industry standards. In 2022, through consultation with our stakeholders, we will determine our need for third-party assurance regarding alignment with appropriate standards and policies. We will also consider alignment with additional sector specific responsible mining standards and reporting protocols, as appropriate to our business needs.

MATERIAL RISKS

A materiality assessment was conducted in 2021 by considering risks that are of importance to Boroo, as well as of likely importance to a broad range of stakeholders, as identified below.

STAKEHOLDER GROUP	AREAS OF INTEREST	ENGAGEMENT METHODS
Capital Markets		
Investors	<ul style="list-style-type: none"> • Accurate disclosure of key non-financial risks • Timely and accurate disclosures of other business information • Effective governance • Compliance with laws and regulations 	<ul style="list-style-type: none"> • Investor meetings • Press releases and announcements • Annual reports • Company website
Other Stakeholder Groups		
Employees	<ul style="list-style-type: none"> • Competitive compensation and benefits • Occupational health and safety • Training and capacity building 	<ul style="list-style-type: none"> • Collective bargaining agreements • Safety and compliance meetings • Training and career development • Internal communications
Regulatory agencies	<ul style="list-style-type: none"> • Compliance with laws and regulations • Occupational health and safety • Benefits to stakeholder communities 	<ul style="list-style-type: none"> • Compliance reports • Site visits, Inspections, supervision • Permit applications • Meetings on compliance matters
Communities	<ul style="list-style-type: none"> • Local development • Environmental quality • Access to employment • Opportunities to furnish goods and services 	<ul style="list-style-type: none"> • Scheduled community meetings • Focus group meetings • Notices of procurement opportunities • Employment notices
NGOs	<ul style="list-style-type: none"> • Local community programs • Environmental stewardship • Human rights performance • Equity in sharing benefits 	<ul style="list-style-type: none"> • Annual sustainability reporting • External assurance • Direct meetings • Site visits
Customers/Refiners	<ul style="list-style-type: none"> • Quality assurance • Product stewardship 	<ul style="list-style-type: none"> • Key account meetings • Systematic communications • Visits to operating sites • Participation in trade associations • Sustainability reporting

These areas of interest aligned with many of the RMI's RRA risk areas. Of the 32 RRA criteria-related risk areas, those that were ranked as "material", "highly material" or merely "relevant" after reviewing our stakeholders' perspectives as well as our own risk assessments, are shown below.



ARD Plant pump station at Lagunas Norte Mine



Toolbox meeting in the Lagunas Norte warehouse



Employee in Personal Protective Equipment at Lagunas Norte Mine



Employee in Personal Protective Equipment at Lagunas Norte Mine

MATERIAL	HIGHLY MATERIAL
Freedom of Association	Legal Compliance
GHG Emissions	Business Integrity
Energy Consumption	Stakeholder Engagement
Gender Equality	Environmental Risk Mgmt
Working Hours	Occupational Health & Safety
Remuneration	Tailings (for BGM only)
RELEVANT	Security & Human Rights
Freshwater Mgmt. & Cons.	Pollution
Waste Management	Mine Closure
Biodiversity & Protected Areas	Community Development
Business Relationships	Human Rights
Child Labor	Transparency & Disclosure
Forced Labor	
Discrimination	
Artisanal & Small-Scale Mining	
Indigenous Peoples' Rights	
Land Acq. & Resettlement	
Cultural Heritage	
Due Diligence & Supply Chain	

WORKFORCE

The attraction and retention of a safe, productive, and engaged workforce is a key aspect of attaining our goals for Boroo. We prioritize a workplace culture that emphasizes safety and inclusiveness while providing opportunities for personal growth. Our values, such as attaining zero harm, empowering employees and encouraging collaboration help drive this culture.

In July 2021, our combined workforce for both sites was 1,265 employees, comprising 550 direct and 715 contract employees. Approximately 10% of both the permanent and contract workforces are female. More than 99% of employees at both sites are of national origin.

Ownership transitions, such as our recent acquisition of Lagunas Norte, can result in the loss of key personnel. While some attrition has taken place at this site, key leadership roles continue to be staffed by personnel with historic experience, including the Lagunas Norte General Manager. In addition to filling vacancies at Lagunas Norte with qualified staff we are adding resources to execute growth projects currently in the pipeline.





CASE STUDY – TRAINING AND DEVELOPMENT

Boroó's mission is to create a workforce of skilled individuals capable of fulfilling company goals. To achieve this, our Human Resources team (HR) developed a plan which aims to recruit and retain skilled employees, and to continuously discover and advance their talent, knowledge, skills and qualifications. This is delivered in a healthy, safe and sustainable workplace, which provides conditions to work productively.

Our training is organised and delivered on an ongoing, systematic basis. It is aimed at improving the current work performance and productivity of each position, and prepares employees for future tasks and responsibilities. This systemized method ensures all employees have opportunities for work and personal development, which in turn benefits the company's productivity, efficiencies and competitiveness. The HR plan includes the following steps to achieve training and development goals:

1. Defining training needs
2. Training plan development
3. Plan fulfilment
4. Training results, and
5. Training evaluation.

Our training plan is determined based on a skills and requirements matrix and employee career mapping. Upon execution and completion of training, results are assessed and training is evaluated by both employees and HR. Records are maintained of all training provided and the skills attained. These are evaluated to continually improve training within the company and update the HR plan.

In accordance with Boroo’s goals, objectives and HR policy, training and development activities are delivered as follows:

- Training for new hires
- Refresher training
- Development training, and
- Professional training.

General information regarding Boroo’s operations, policies and their implementation is provided to all employees at the commencement of their employment to ensure awareness of responsibilities and obligations within the workplace.

All ongoing training delivered also relates to the site operations and incorporates Company policies and objectives. Boroo operates in compliance with international and Mongolian laws, regulations and standard requirements, and all employees are made aware of such compliance through training.

Primary training delivered to employees reflects the main principles and contents of the following company policies:

- Anti-bribery and anti-corruption policy
- Human rights policy
- Anti-money laundering and prevention of financing of terrorism policy
- Anti-fraud policy
- Occupational health and safety policy, and
- Environmental policy.

Other various training delivered includes specific training for groups and individuals based on specific requirements and career development.



An example of recent training delivered in accordance with the HR training plan was refresher training provided by the Environmental and Safety departments in July 2021 to employees who work at the BGM site, with the purpose of refreshing and strengthening knowledge of all employees on an annual basis. Content of this training was as follows:

Safety Department:

- Occupational health and safety policy
- Emergency management plan
- Identification, reporting and corrective actions on workplace hazards
- Traffic safety
- Hazards that cause industrial accidents, preventative measures
- Industrial accidents, occupational disease, acute poisoning
- Types and proper use of work clothing and personal protective equipment
- Risk assessment, and
- Safety legislation.

Environment Department:

- Mine site introduction
- Environmental management system introduction and its scope
- Environmental policy, goals and objectives
- Environmental aspects
- Environmental regulations, duties and responsibilities
- Environmental management plan
- Environmental monitoring program
- Environmental reclamation, and
- Offsets program.

EMPLOYEE HEALTH AND SAFETY

OCCUPATIONAL HEALTH

Mining operations expose the workforce to a range of occupational health risks including fatigue and mental health, as well as workplace exposure hazards such as dust, chemicals, noise, and vibration. Our risk assessment processes are designed to identify and evaluate these risks. Health protection forms a core aspect of our employment agreements. We have systems in place to control and reduce individual exposures and we undertake regular personal health monitoring. These systems apply to all employees and contractors at operational and remote work sites, and to all visitors. All personnel are encouraged to proactively manage their health and safety risks through information, education, instruction, and supervision.

At our BGM operation we undertake routine medical checkups for our permanent employees and medical screening for new hires, following the Law of Mongolia on OH&S. A program for routine medical checkups for all employees is planned and budgeted in 2021, including maintenance of an onsite health care facility with professional personnel. The BGM site has an accredited medical center, equipped with ambulances, and staffed by professional medical personnel.



At our Lagunas Norte site, our health management entails a systematic approach towards the prevention, identification, evaluation, control and monitoring of health hazards and exposures of the workplace.

Evaluation and monitoring take place with a frequency established either by regulatory provisions or through an evaluation process to determine the risks. The employee health care program at Lagunas Norte addresses fatigue, mental health, ergonomics, healthy lifestyles, occupational health, substance abuse, hearing, respiratory health and disease prevention. Medical centers are located at this mine site. They are accredited by the national health authorities, equipped with ambulances, and staffed by medical personnel.



COVID-19 PANDEMIC RESPONSE

An immediate, strong response to the global Covid-19 pandemic was considered essential to protecting Boroo's workforce, the communities in which we operate and our productivity. We have implemented measures to minimize the risk of infection within both the workplace and surrounding communities. We developed practical guidance for the sites to implement to ensure the health, safety and wellbeing of all employees and contractors on site, and those performing remote work. The guidance, implemented in accordance with national pandemic response measures, is active and ongoing through 2021.

We have been supporting local police, communities and health services within the areas of both of our operations. We are doing this predominantly through donations of food, necessities, biosafety kits and via contributions to local Covid-19 prevention and control committees.



Donations of medical supplies to the local communities from Boroo Gold Mine



COVID-19 PANDEMIC RESPONSE MEASURES AT BOROO SITES

- Routine surveillance and monitoring of workers, so that we can act as soon as symptoms are detected.
- Cleaning and disinfection of equipment and surfaces, and mandatory hand hygiene.
- Provision of appropriate PPE for all employees and contractors to reduce likelihood of transmission.
- Awareness training to help understand Covid-19, relevant regulations and government guidance, PPE use and disposal, personal care and partner care, how to self-report, and observation of others.
- Social distancing in the workplace, site facilities, and in transit.
- Reduced presence in the workplace and site facilities, including use of alternative work arrangements such as remote working, and management of facilities use.
- Provision of medical services to personnel, including monitoring of ongoing health including mental health.
- Return or reincorporation into work for those with risk factors for Covid-19, based on evaluation of personnel with such risk factors to determine how an employee returns to work.

SAFETY SYSTEMS

One of our core values is 'Attaining Zero Harm'. Our vision as presented in our OH&S policy is 'every person going home safe and healthy every day'.

Our OH&S policy commits our operations to compliance with relevant regulatory frameworks as a minimum, as well as to the operation of risk based OH&S management systems. Oversight responsibilities of this policy rest with the Executive and Board.

Our operations in Mongolia are certified to ISO 45001. Our Lagunas Norte operation in Peru has a well-developed risk based OH&S program that meets national regulatory requirements. An evaluation of risks and controls occurs on at least an annual basis at Lagunas Norte, ensuring a strong focus on continuous improvement to prevent injuries and disease. The system has historically aligned with OHSAS 18000 – Occupational Health and Safety (replaced by ISO 45001). Under Boroo ownership, Lagunas Norte will work towards third party ISO 45001 certification.

SAFETY PERFORMANCE

Data available from BGM through April of 2021 indicate a Total Recordable Incident Frequency Rate (TRIFR) of 1.8 through that period (based on 1,000,000 hours worked). Data available from Lagunas Norte for the same period indicates a TRIFR of 2.04 (per 1,000,000 hours worked). There were no fatal incidents at either site during this period.

EMPLOYMENT



TRAINING AND CAREER DEVELOPMENT

Training at our sites begins with induction procedures for new employees. At this stage our employees receive instruction on company ESG policies, which is training that recurs on an annual basis. While employed, workers are afforded opportunities for career growth on an ongoing basis, facilitated by skills development and training. Our BGM site operates a career roadmap, which links training in specific vocational areas to career growth within the organization. BGM currently has two training officers in the HR department. These officers regularly organize training among employees in accordance with HR training plan and as requested by department heads.

Extensive training and career development programs are also in place for Lagunas Norte. Resources available include training modules covering technical matters necessary for career growth. Our skills development areas include environment, community, mining, processing and OH&S, as well as leadership capacity building in the management and supervision of

staff. Training records are retained for all employees, serving as the basis for tracking individual growth as well as compliance with policy obligations.

FREEDOM OF ASSOCIATION

The Boroo Human Rights Policy commits us to respect the rights of our employees to establish and to join organizations of their own choosing and to bargain collectively. A collective bargaining agreement is in place at BGM, which is renegotiated annually according to national law. More than 100 employees out of the direct work force of 403 are voluntarily enrolled in the collective bargaining agreement. The BGM management team annually concludes and renews a collective bargaining agreement with trade union members.

Lagunas Norte has entered into separate collective bargaining agreements, for operators and for supervisory personnel, covering the 2021-2023 and 2021-2024 time periods respectively. These agreements include obligations

transferred from the previous ownership which we continue to respect. Participation is optional, and not all employees are participants. Over 70 employees participate collectively in the two Lagunas Norte collective bargaining processes.

GENDER EQUALITY

National constitutional law in both Mongolia and Peru prohibits gender discrimination in hiring. Fair employment commitments of our human rights policy align with these national legislative frameworks. Approximately 40% of management level BGM officers and 10% of the operations workforce are female. At Lagunas Norte approximately 17% of management level staff are female, and approximately 10% of the aggregate workforce are female.



CHILD LABOR

As committed in our human rights policy, we will not tolerate the use of child labor in any of our operations. At the BGM operation we are subject to national law on this matter, which sets minimum working age at 16. The BGM policy is to not engage employees under 18 years of age, and the recruitment and onboarding procedures require documentation that establishes age of prospective employees. At Lagunas Norte, recruiting and onboarding processes also conform to national law, which prohibits employment below the statutory age limit of 16 years. They include the requirement to present personal identification documents that include potential employees' birthdate. The site policy is to only hire employees that are over 18 years of age. Supply chain departments at both sites conduct due diligence for human rights violations on suppliers of goods and services, including any evidence of child labor. Company policies are incorporated into vendor contracts, and include references specific to the prevention of child labor.

FORCED LABOR

The Boroo Human Rights Policy prohibits the use of prison labor, or any form of forced labor, slavery, or servitude. Our BGM operation does not engage any labor other than through employment procedures, which also set pay scales. At Lagunas Norte employment procedures drive compensation, disallowing labor engagements that are unpaid or underpaid. Both the BGM and Lagunas Norte sites conduct due diligence on potential suppliers of goods and services, and all contractors commit to abide by company policies, which include commitments specific to prohibitions on the use of forced labor.

DISCRIMINATION

Consistent with our Global Harassment and Violence Standard, Boroo does not tolerate discrimination in any form. National law in Mongolia is explicit and detailed regarding anti-discrimination. The BGM code of ethics includes a section on anti-discrimination, which is reflected in all internal regulations. Per the national government's requirements, Lagunas Norte has its own anti-discrimination and harassment committee, also guided by internal policy. Employees must provide written agreement to abide by this policy. The standard is also included in vendor contracts.

WORKING HOURS

Our work rosters at both mine sites conform to national laws regarding allowable schedules for work and rest. The BGM site manages hours by month rather than by week, with a current average of around 170 hours worked per month per person. New national legislation for the mining industry will mandate a roster of 14:14 in terms of days on and off. On some occasions employees do work more than 60 hours per week, but over the longer term it averages less. All overtime hours are voluntary and paid. Current Peruvian labor law drives the development of working schedules at Lagunas Norte. Any overtime at Lagunas Norte is also voluntary, and paid according to established scale by law.

REMUNERATION

Mining operations have a high demand for skilled labor, and this drives competitive remuneration. In 2020 our BGM operation commissioned a salary survey that compared wages paid at our site to the national average for the mining sector. Results indicated an equal number of employment titles and pay grades fall above and below the national average for the mining industry. A similar study has also been conducted at Lagunas Norte, which benchmarked remuneration to the national mining sector. This analysis indicated that the average wage for all grades is above the 50th percentile as compared to national counterparts.

EMPLOYEE GRIEVANCES

Both of our operating sites have in place grievance mechanisms that were inherited from previous management. At present grievances are communicated through the administrative hierarchy at both sites. Boroo management at both operations are currently developing updated employee grievance procedures, with roll-out planned for 2021 at both BGM and Lagunas Norte.



SUPPLY CHAIN

We rely on many businesses in our supply chain to produce the metals we bring to the market and have an important position in a global supply chain of economic significance. Boroo has a responsibility to apply our sustainability policy commitments to our supply chain community. We seek to help ensure that our metals are produced sustainably at our own sites while also promoting similar practices with upstream providers of goods and services.

We use our contracting processes to influence these outcomes. Our corporate policies include sustainability aspects that are also relevant to our suppliers' own businesses, such as business ethics, human rights, child labor and forced labor. At our sites due diligence is conducted on potential suppliers of goods and services, evaluating their commitments and processes against our policies. This helps screen out vendors with risks in the areas of concern.

Our policy commitments are incorporated into contract documents for vendors that pass through this screening process. At engagement, compliance with our policies becomes a contractual obligation.

The gold industry has historically been exposed to social and governance risks in conflict-affected areas. The OECD provides a framework for recognizing and managing these risks when operating in Conflict Affected and High Risk Areas (CAHRAs), which are defined by the European Union's Conflict Minerals Regulation 2017/821. Boroo only produces precious metal from minerals from within their operations in Peru and Mongolia, neither of which are designated as CAHRAs.









Toolbox meeting for employees and contractors at Lagunas Norte Mine

CASE STUDY – THE RIGHT OF WORKERS TO BE INFORMED

A fundamental aspect of personnel relations is the right of workers to be informed about the situation of the company where they work. This perspective may not be commonly held among all elements of leadership, some of whom may have a perspective that each leader will address information sharing, or that people already know what they need to know. A fundamental principle may be lost in such situations, which is the common alignment of information.

This aspect, which seems simple, but which is fundamental in good organizational development, has been implemented by the new leadership of Boroo at Lagunas Norte.

Upon arrival at the operation, the new leadership held three meetings with all staff and strategic partner companies. The purpose of the first meeting was introductions and to lay out plans for Lagunas Norte. The second meeting presented our new Vision, Mission, Strategy and Values. Both meetings were appreciated by Lagunas Norte personnel, trade unions and partners.

Further Lagunas Norte alignment meetings were organized on three occasions, all having the same approach: “Clearly explain the following projects and challenge of Boroo in Lagunas Norte, and review from different perspectives the challenges to be faced as a team.”

1. The Leaders Meeting was the first meeting and was held with the Managers and Superintendents of Lagunas Norte, including Managers and Superintendents who work in the city of Lima and Trujillo. In addition to the discussion as referenced previously, there was the opportunity to have a space for integration among leaders and alignment towards common objectives.
2. The second meeting was with the first shift of mine workers, deploying the same themes as mentioned above to the positions of Chief, Supervisors and Analysts, with excellent results.
3. The third meeting, with the next shift in the mine, including invitations to Chiefs and Analysts from Lima, was well received and the feedback overall was very positive.

The second and third meetings provided the workforce with a Welcome Kit and presented the Onboarding and Culture Program which was launched via LinkedIn. Workforce feedback was very positive with expressions of interest to be part of the team moving forward.





CASE STUDY – CONTINUATION OF EMPLOYMENT FOR POPULATIONS NEIGHBORING LAGUNAS NORTE IN THE TIME OF COVID-19

When the Covid-19 pandemic began, public health restrictions were applied that highlighted a widespread, low state of preparedness, especially in terms of equipment and materials for frontline personnel related to preventative health care. Our sense of responsibility and good stewardship for public and workforce health obligated us to find strategies that would allow us to continue operations and control the risk of contagion from Covid-19.

In the face of this emergency, the first need identified was concentrated in biosecurity materials, which were scarce, due to high demand and unavailability to health facilities of the rural areas.

At some point, before the initial wave of the pandemic subsided, we faced the challenge: “How can we maintain our operations and summon the staff needed without increasing the incidence of infections among the workforce and in the communities where they reside?” At Lagunas Norte, we developed a Covid-19 prevention system in collaboration with health professionals and approved by authorities, based on a modified system of site entry and exit for work shifts and transport of personnel, complemented by the implementation of additional health controls.

A new work roster was developed for Lagunas Norte that supported the Covid-19 prevention system. Staff residing in neighboring towns were included in this new schedule. Prior to the entry of each shift, a Covid-19 monitoring protocol was activated, which includes the use of antigen tests seven days prior to resumption of work, conducted by the Lagunas Norte medical team in the individual homes of each worker. Two days

before resumption of work, the more accurate molecular tests are taken in health posts that are set up in areas near their homes. Transport to these health posts is carried out in vehicles conditioned to maximize social distancing, including operation at 50% of their passenger capacity. Passengers are received by the medical team and camp personnel. The protocol culminates when on the 7th day of their shift, they are given an antigen test. Shift workers are returned home using the same method as their entry to site, and the cycle is repeated for further shifts.

In accordance with the established monitoring plan, if a worker tests positive for Covid-19 before admission, they are advised to isolate and report to their respective health center for follow-up or treatment. If personnel are detected as positive for Covid-19 in the test carried out during their shift, our health quarantine protocol is activated, and the individual is isolated and monitored by our medical area for the following seven days. If symptoms are presented a molecular confirmation test is carried out by medical personnel, the quarantine period is extended, and medical attention is provided as merited by symptoms through the recovery period. This surveillance plan has also been communicated to the neighbors of our operations.





COMMUNITY

We are committed to working closely with the communities near our operations to minimize our impacts and to maximize the benefits we can bring to communities. We believe that if potential adverse impacts are effectively mitigated, and if communities benefit from our operations in ways that are important to them, there will be significant benefits to the business in terms of social license and good stakeholder relations.

COMMUNITY HEALTH AND SAFETY

Potential adverse and positive impacts on our local communities are determined initially through environmental and social impact assessment (ESIA) processes, which preceded initial construction and subsequent modifications at both of our sites. The ESIA process established foundational programs for mitigating impacts, supported by ongoing environmental monitoring programs, as well as for addressing priority community needs.

Our mine sites are characterized by remote settings and sparse populations in the immediate vicinity of active operations. At the BGM site there are no settlements within the fenced concession area, and the nearest communities are located 20-35 km from active mine operations. Community land use within the concession consists of transient herding in the summer months, with fewer than ten known users. Lagunas Norte is also in a sparsely populated area, with 14 communities currently identified within the impact area as determined through the ESIA process. The closest community is approximately 500 m from the perimeter fence, though most are located at greater than 2 km distance. For both sites, the potential residual negative impacts on public health, including consideration of aspects such as water and air quality, ranged from insignificant to low as determined through ESIA studies. Community support strategies include measures to improve access to employment opportunities, direct health care, potable water, and improved nutrition.

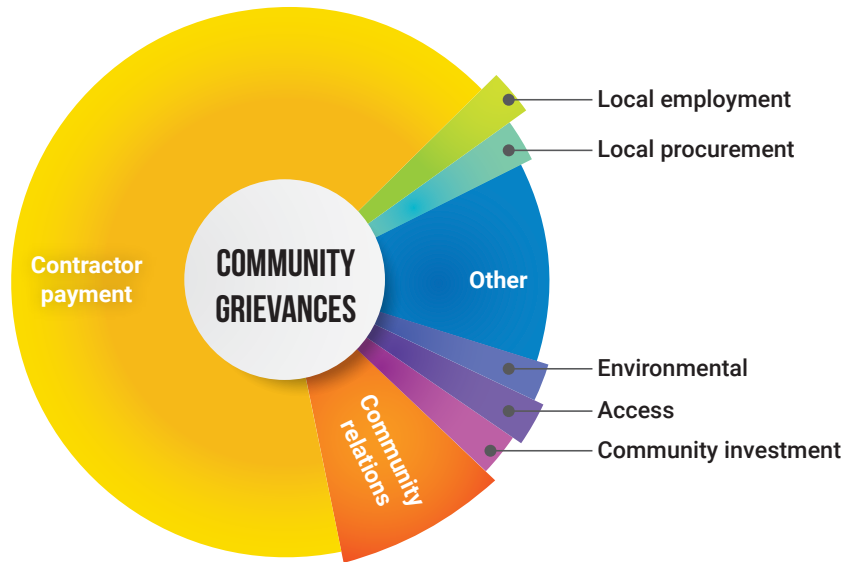


COMMUNITY ENGAGEMENT

Community relations strategies at each of our sites are based on stakeholder engagement plans (SEP) that originated with foundational ESIA studies. At BGM all aspects of community relations are encompassed under the site's SEP, which drives a schedule of routine meetings with local communities, authorities, and civil society groups. BGM established a grievance management system in 2018, and these procedures are included in the SEP. Community members tend to take grievances to local authorities, who then contact mine staff for resolution. In the first two quarters of 2021 five formal grievances had been filed through the formal BGM system. BGM has a cooperation agreement with local authorities, and we implement the community engagement plan according to this agreement.

Lagunas Norte has a stakeholder mapping process, which is updated annually. It informs the SEP-driven engagement programs with the community and with our broader stakeholder groups, which include district, provincial, regional and national authorities as well as civil society groups that operate at these different levels. The community relations group at Lagunas Norte also maintain a risk register. It identifies and quantifies key social risks, along how we endeavour to control these risks. They are refined based on the results of ongoing engagement. Key risks at Lagunas Norte are largely linked to stakeholder expectations around community investments, as well as opportunities for employment and service contracts. There is a formal grievance mechanism in place. In the first two quarters of 2021 a total of 31 grievances had been filed, the majority having to do with contractor relations. Lagunas Norte also supports an external relations group that reaches a broad set of stakeholders. The external relations group undertakes dialogs with

stakeholders and provides evidence of Boroo's good corporate citizenship. It also demonstrates how key sustainability programs are maintained during and beyond the ownership transition period.





COMMUNITY DEVELOPMENT

The potential positive impacts of our operations are enhanced through community development programs at each of our sites.

At the BGM site two counties (known as soum in Mongolia) exist within the BGM area of influence. They host three communities having an aggregate population of approximately 39,000 inhabitants. Each of these communities were prioritized for investment during the period of emergence from care and maintenance, from 2018 to the present. The primary instruments for community investment at BGM are community cooperation agreements, which are developed collaboratively and supported with an annual budget of approximately US\$100,000 per community per year. Agriculture is the key investment theme, focused on capacity-building and training for

both the herder and farmer groups.

In Peru, unmet community expectations around development opportunities are a common driver for tensions with mining companies. These tensions can escalate to confrontations, with outcomes such as blocked access to mining operations. Our Lagunas Norte operation is exposed to these risks. We manage these risks through our SEP, which involves intense liaison with community leaders and targeted community investments. There are 14 rural communities within the area of direct influence of Lagunas Norte. Together, they have an aggregate population of approximately 15,000 inhabitants.

Investments in these communities are identified through a continual engagement process with local

communities and government, supported by risk assessment around community expectations. Funds are contributed to investment programs through an annual Social Management Plan, which has a 2021 budget of approximately US\$2.4M. Projects supported by this fund address priority community needs in the areas of potable water, health care, education, and economic development. One-off community investments at the Lagunas Norte site address issues that arise outside the annual planning cycle, captured under standalone covenant agreements.

Financial contributions are also made to a Social Fund that is available to local and regional governments under a program initiated at the start-up of Lagunas Norte. Funds are derived from the



payment of royalties under the mine concession transfer agreement of 2002. Under this agreement a governing board is responsible for executing projects for the benefit of the population within the project’s area of influence. Composition of the governing board includes the mayors of six municipalities, one from the ministry of mines and two from Lagunas Norte. Contributions from this program since inception exceed US\$200M, with average annual contributions during the care and maintenance phase of approximately US\$3M.

In addition to direct investment, participation in our business is another avenue for enhancing the positive impacts of our operations on local communities. The procurement processes at both of our operations include preferential local sourcing of services and materials where possible. At BGM service contracts that are preferentially let to local providers include transportation and lodging. Goods purchased locally include items such as sample bags and uniforms. The local government organizes meetings to train local businesses on opportunities presented by BGM. We also host tours of the site warehouse to identify goods that could be locally produced. The Covid-19 pandemic has constrained some of our efforts in this area.

At Lagunas Norte, those businesses within the ESIA-designated Area of Direct Influence qualify as local suppliers. Goods and services provided by local suppliers at this site include food and hospitality, custodial services, transportation, and waste disposal. Based on data collected for the first quarter of 2021 we estimate that of all purchases made by Lagunas Norte, approximately 10% originated with local suppliers.

ARTISANAL AND SMALL-SCALE MINING

Artisanal and small-scale mining (ASM) activities are present near to our operations in both Mongolia and Peru. At the BGM concession artisanal mining is illegal. Nonetheless there are

occasional attempts by artisanal miners to enter the concession and develop underground workings. Local authorities are responsible for controlling access to formal mining concessions and address these incursions. Because ASM is not a legally permitted activity at this site there is currently no program for assisting or working with ASM. Regulatory requirements oblige us to report to authorities any ASM related activities near mine site. Our risk assessment at the BGM property has not identified relations with the artisanal mining community as an issue of high-level concern.

At our Lagunas Norte property artisanal miners extract coal deposits within the concession area and outside the limits of our active mining perimeter. With company support a formal contract was developed in 2014 with Minera Amachic, an artisanal coal mining entity with approximately 60 members who work on 76 sites. The contract formalizes Minera Amachic’s access to defined areas within the concession, generally to the northwest of the fenced operational area. The contract includes provisions around environmental responsibilities of Minera Amachic and indemnifies Lagunas Norte against any liabilities incurred. Our risk assessment process has not identified this professional relationship as a high risk for the operation.



CASE STUDY – COMMUNITY – PROJECTS AND PROGRAMS

Since BGM was founded, we have committed to best practice in occupational health, safety and environmental rehabilitation in the mining industry within Mongolia. We have trained our workforce to international standards, implemented competitive payroll policies, and successfully implemented a number of projects and programs aimed at improving the livelihood of our employees and host communities. Furthermore, we have consistently implemented community development programs within communities we engage with, both locally and nationally. BGM has provided US\$7.8M through donations, aid and investment, including US\$4.2M to local communities associated with BGM operations, since 2007.

National legislation requires mining companies to form Cooperation Agreements with local governments on environmental protection, the development of mine infrastructure, and the creation of local jobs.

In Mongolia, a county is known as a soum. Boroo invests in community development programs across three soums; Mandal and Bayangol soums of Selenge aimag, and Bornuur soum of Tuv aimag.

In accordance with national legislation Cooperation Agreements have been developed with three soums where BGM have conducted mining operations since 2018. We invest US\$74,000 per year in each soum and its local communities.

We aim to develop and strengthen long-term relationships with local governments based on trust through the signing of the Cooperation Agreements. The Parties to the Cooperation Agreements have established the agreements to:

- provide support for operations of Boroo
- deepen cooperation between the Parties for promotion of socio-economic development of local communities, and
- determine the rights, obligations and responsibilities of the Parties in detail.

By agreement, the Parties have agreed to cooperate and provide support for development of:

- infrastructure (road maintenance, road signs and markings, traffic calming and surveillance camera systems)
- basic social services (health, education, vocational training and employment), and
- local small and medium enterprises (SMEs).

The relationship associated with the Cooperation Agreements shall be regulated by the Constitution of Mongolia, the Minerals Law, the Law on Administrative and Territorial Units of Mongolia and their Governance, the Law on Investment and other applicable laws, regulations and international treaties. For the purpose of these Agreements, the Parties shall act in the spirit of rule of law, equality, justice, mutual respect, transparency and voluntary performance of duties under the Agreement.

Applications for funding of projects and programs

Upon finalization of the agreements, BGM and the three soums agreed to establish a Cooperation Committee (the CC). The role of the CC is to select projects and programs to be funded through the Cooperation Agreements, and to monitor funding expenditure and the progress of selected projects and programs within each of the soums. In addition, the CC is formed with the purpose of managing the Community Development Fund (CDF), a voluntary fund provided by Boroo to soums within the scope of the Cooperation Agreement. The CC consists of nine members; five representatives from the community and four representatives from Boroo, and includes a CC chair, and CC Secretary.

Every citizen within each of the soums is able to apply for funding via submission of a proposal for financing of their project(s) which may include:

- Infrastructure development, and/or
- Skills and capacity-building and organizational development, and/or
- Support for development of local SMEs.

Steps for the selection of projects and programs to be funded by the CDF are detailed below.

- 1: The CC receives projects and programs proposals submitted by the general public.
- 2: The CC assess and evaluate the proposed projects and programs against the following criteria:
 - Community Needs: Programs and projects that are based on actual needs of the community
 - Public Benefit: Projects and programs will be of benefit to the general public
 - Feasibility: Projects and programs will be well-planned and can be monitored and evaluated
 - Sustainability: Projects and programs will have the potential to deliver long-term benefits and can be fully owned and managed by the soum
 - Affordability: Projects and programs must be within the approved budget of the CDF, and
 - Where necessary, the environmental impacts of any project will be assessed through the CC's engagement with Boroo's environment department.
- 3: The CC selects and prioritizes projects and programs to be funded by the CDF.
- 4: Submit information on selected projects and programs to the Parties to the Cooperation Agreement in writing via the CC.

EXAMPLES OF PROJECTS AND PROGRAMS FUNDED BY BOROO

Through projects such as the examples below, Boroo has provided and will continue to provide further support to Mongolia and to local sustainable development through the function of the CDF and the CC.

1. Social Infrastructure and Capital Investment Projects: Ulaanbaatar, Mongolia, 2013

At a cost of US\$3.5M, Boroo funded the construction of a 6-storey annex to the First Maternity Hospital of Ulaanbaatar City, a significant contribution to the city. The old building was the first maternity hospital of Mongolia and required upgrading as it no longer met quality and hygiene standards. It was therefore decommissioned and the annex constructed to become the first western-funded investment in the health sector of Mongolia, with a total of 150 beds including 100 beds for women and 50 for infants, and fully equipped with state-of-the-art medical equipment.

2. Social Infrastructure and Capital Investment Projects: Bayangol Soum, Selenge Aimag, 2020

Boroo funded the construction of a fountain in the soum center. The fountain has a dimension of 200m², with the capacity for water to reach up to 8 m in height using automated control system. It is the largest fountain in Selenge aimag and provides the soum citizens, adults and children alike, a place to gather and enjoy their leisure time.



3. Social Infrastructure and Capital Investment Projects: Mandal Soum, Selenge Aimag, 2020

Boroo funded the construction of a new, more modern and comfortable police station house in Tunkhel village. Previously police stayed in a building which had deteriorated to a point where it was no longer suitable for use; it was no longer habitable and compromised the effective police presence in the village. The new facility can now accommodate two police staff and also provides a working office.



"First Maternity Hospital of Ulaanbaatar city" which reconstructed and fully equipped by the Boroo

SECURITY AND HUMAN RIGHTS

Our mine sites have security programs to control access and protect property and people. Day-to-day security is undertaken by staff resources, who manage the program with assistance from contracted, professional security agents. Responsibility for law enforcement within our sites resides with local representation of national police forces. Our human rights policy includes commitments to align with the Voluntary Principles on Security and Human Rights (VPSHR). The VPSHR has and will continue to offer guidance in our relationships with security and police forces.

Security at BGM is the primary responsibility of an internal security department which manages an additional 60 contracted security agents. Agents are certified annually by national police agency to provide security at the mine site under a due diligence process. The security departments and contracted agents are primarily responsible for access control and asset protection. Private security personnel are unarmed, and do not engage in application of force. Elements of the national police will become involved in cases where law enforcement is required. Cooperation between private entities

and national police in Mongolia is regulated by national law rather than by standalone covenant agreement. Police are not housed on-site, and no material support is provided by Boroo.

Security at our Lagunas Norte site is the responsibility of a dedicated department which manages operations with assistance from a privately contracted firm. Forty-eight personnel from this firm provide security services to our Lagunas Norte site. Primary responsibilities of this group include site access, with the goal of protecting assets and people. Law enforcement on the property is the responsibility of the national police, which maintains a detachment of six personnel in the mine operations area. The relationship between Lagunas Norte and the police is governed by a covenant agreement, signed between the Peruvian National Police (PNP) and the company. Our training requirements regarding the use of force are included in our Code of Conduct and align with the VPSHR. Under this covenant any material provided to the police, such as food or lodging, is subject to management approval. No weapons or other law enforcement equipment is provided by Lagunas Norte.

INDIGENOUS PEOPLES

Our human rights policy obliges Boroo to respect the history, culture and traditional ways of indigenous peoples. This includes their standing as distinct, self-determining peoples with collective rights, as well as their interests in land, water and the environment. Baseline socio-economic surveys conducted during ESIA studies, and subsequently through SEP implementation, were undertaken to identify indigenous groups. The studies at both sites have not identified any ethnic groups within our concession areas that conform to national legislation or international criteria for indigenous peoples.

Mongolia is a country characterized by a high degree of ethnic homogeneity. The only indigenous peoples of Mongolian ethnicity identified in public sources are the Buryat, who at present inhabit Russia, near Lake Baikal. Socio-economic surveys of our BGM concession area has not discovered any subset of the local population that self-identify as an indigenous community. In Peru, it is recognized that Quechua people often self-identify as indigenous. However, there are no communities within our Lagunas Norte concession area that meet this informal criterion.



Flag ceremony at Lagunas Norte Mine

LAND ACQUISITION AND RESETTLEMENT

Our human rights policy and the external frameworks to which it is linked include commitments for respecting property rights.

Land in the BGM concession was uninhabited at the time of acquisition by prior owners in the early 2000s. Herders moved through the area in search of pasture, but were transitory, having no permanent structures or residences. Land was accordingly acquired under transaction with the national government. There are at present no groups within the site SEP identified as resettled or former landowners.

Land for the Lagunas Norte project was acquired during construction of the original project over the 2002-2007 period. Land acquisition did not include the displacement of settlements. It was negotiated under the national legal framework for land transactions that governs willing buyers and willing sellers. The population of former landowners is tracked by the community relations group at this site, and have preferentially been afforded additional benefits as compared to the other populations. These benefits include investments in potable water, health infrastructure, nutritional and educational programs. The former landowners are also included in opportunities to bid on contracts for goods and services from our Lagunas Norte property. No land acquisition is foreseen for the suite of projects currently being developed for this site.

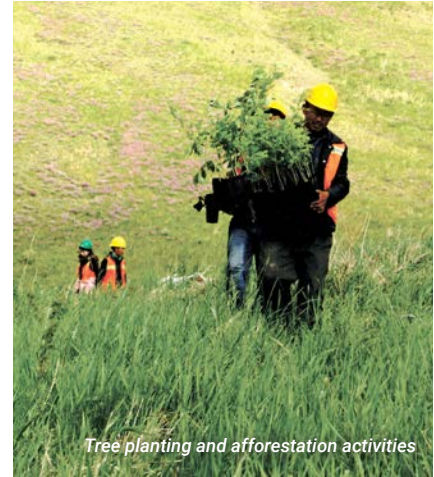


CULTURAL HERITAGE

Cultural resource surveys and, as needed, salvage operations on archaeological finds, were carried out prior to initial construction of both of our mines. They were carried out under national guidelines and in cooperation with designated authorities.

At BGM the management of cultural as well as palaeontological heritage matters are guided by national law on the protection of these resources. Surveys were conducted during each ESIA and addenda, which allowed appropriate impact mitigation to be developed, including provisions for monitoring and chance finds. Recovery of data is carried out by the national Archaeology and Palaeontology Institutes.

At Lagunas Norte cultural heritage management is guided by National Cultural Institute guidelines. Currently there are identified cultural resource sites within the fenced operational area. They are protected with barriers and signage. Procedures are in place in case additional archaeological sites are identified by chance during mining operations. Our staff at both sites have not identified cultural heritage issues as presenting significant risks for their respective operations.



ENVIRONMENT



Employee checking water quality at Lagunas Norte Mine

The environmental footprint of mining is subject in different parts of the world to locally relevant environmental legislation and regulations. We are firmly committed to meeting these local compliance requirements, and our environmental policy aims for an even higher standard of environmental stewardship. Our policy commits us to apply proven management practices to prevent pollution and mitigate impacts. It also commits us to engage transparently with internal and external stakeholders about the risks we manage and our performance in managing them.

ENVIRONMENTAL RISK MANAGEMENT

We apply formal environmental risk management processes at both of our operating sites. Both BGM and Lagunas Norte maintain an externally and independently certified Environmental Management System (EMS) conforming to ISO 14001. All employees and contractors, at both sites, are given training in their relevant EMS components. Our workforce culture promotes awareness of significant environmental aspects and their potential impacts so that environmental stewardship is kept in focus across all operational activities.

Both operations maintain a register of significant environmental risks. Risk management processes include risk identification, risk quantification (likelihood and consequence) and active risk controls that are monitored and reported. Risk registers are updated when new activities or processes are introduced to an operation, and annually at a minimum. We are in the process of consolidating risk registers so that material risks are routinely elevated to the Executive and Board levels of the company to support their oversight.

No regulatory non-compliances were recorded for either our BGM or Lagunas Norte operations to May 2021.



Water Treatment at Lagunas Norte Mine

WATER RESOURCES

Freshwater within the watersheds of both our sites support ecological and community needs as well as our own operational requirements. Our approved licences for water use are predicated on ensuring that there is no restriction on the availability of water to meet the needs of communities and to maintain the environmental health of ecosystems within the catchment areas of the operations. The responsible and efficient use of water is core to our business.

The shared value of this resource was addressed as part of the ESIA for each of our operations. Climate, surface water and groundwater baseline data were collated during ESIA to support the assessment of the actual and potential impacts of our activities.

BGM operations are in a semi-arid zone and all water is sourced from licensed alluvial wells within the Kharaa-Yeruu river basin. No surface water is used in any aspect of the site. Water is segregated on site so that all runoff from undisturbed areas is directed into the watershed. Any water that comes into contact with operating areas of the mine is treated. Testing in accordance with our EMS is carried out to assure compliance with both discharge and ambient national water quality standards before leaving the site. Water from the operation's process plant undergoes a cyanide destruction phase. Testing is carried out before being returned either to the process circuit or to the watershed. Weekly piezometer level measurements are conducted at monitoring wells near the waste rock, tailings management and heap leach facilities, as well as near other industrial facilities. Monthly water quality sampling and analysis is conducted at effluent water, ground water and surface water monitoring points.

WASTE MANAGEMENT

Our Lagunas Norte operation is situated in a high rainfall zone. Surface runoff, stored in water supply reservoirs, is used exclusively for operational needs, and no groundwater is extracted.

Like our BGM site, any surface runoff water is diverted before it enters operational areas. Water that contacts operating areas of the mine is treated to national standards prior to discharge back to the watershed. A certain quantity of water from the operation's process plant undergoes a cyanide destruction process, filtration and reverse osmosis treatment, settlement, and testing before being delivered to the watershed. Solutions draining from the heap leach are captured and recycled to the leach circuit. Acid rock drainage occurs in the waste rock material at Lagunas Norte. This drainage is routed to a treatment circuit that includes sedimentation, neutralization, and final clarification. Its quality is measured for compliance with discharge water standards. Discharge water quality is measured at legally established point-of-compliance sampling stations and results are reported to national authorities. There have been zero YTD non-compliance events to July 2021.

The National Water Authority of Peru has initiated a 'Blue Certificate' certification process, with the goal of reducing private sector water consumption. Its objective is to enable businesses to determine and report their 'hydrologic footprint'. This program includes establishment of a baseline for water consumption and evaluating business impacts on water use. The Lagunas Norte operation is working towards alignment with this public program.

Boroo is committed to waste management, from its inception to its disposal. This includes the collection, transport, treatment, and disposal of wastes, together with monitoring and regulation of the waste management processes at its operations. Our certified EMSs, at both the BGM and Lagunas Norte operations include risk management processes which govern waste management, including procedures for the segregation and disposal of ordinary and hazardous waste streams. Both sites aim to prevent or minimise waste, and where possible reuse or recycle, in accordance with a waste hierarchy. Records are maintained of all waste types and quantities, wastes reused or recycled, and those transported and disposed of offsite.

BGM has developed an internal procedure, "Waste collection, transportation and elimination standard operating procedure" which forms part of our EMS and site environmental management plan and is based on current national legislation. All wastes are classified and segregated ahead of reuse or appropriate disposal. Wastes are collected by licensed waste removal companies for recycling or disposal. An independent audit of the BGM operations was undertaken in 2018 as a requirement of national environmental legislation. This audit identified two waste related non-conformances which will be eliminated with implementation of the recommendations for improvement.

Lagunas Norte operations and EMS align with national regulations for waste management, including segregation of waste types for storage ahead of appropriate disposal, and hazardous wastes collection by licensed hazardous waste management companies for disposal. As of 2020 Lagunas Norte also implemented procedures for segregation of biological hazardous waste due to the Covid-19 pandemic. Mercury is derived as a by-product of processing and is disposed of by a licensed contractor who ships the product to Europe for final disposal. Lagunas Norte conducts an independent audit of the performance of all waste collection and disposal contractors to assure conformance with national legislation and requirements of our EMS. Quarterly reports to Peruvian environmental authorities are obligatory and the site is subject to periodic audit by national authorities for compliance with applicable legislation; no non-compliance findings have been reported for the current year.



Boroo Gold Environmental Team



ARD Plant Polishing Pond at Lagunas Norte Mine

TAILINGS

The permanent Tailings Management Facility (TMF) for the BGM site is located in the Ikh Dashir valley and is connected to the site process plant by a 5 km pipeline. The design of the TMF provides for an ultimate storage capacity of 11.34 million cubic meters of tailings, sufficient for the tonnage to be mined for the original life of the mine. The TMF received government approval in 2003.

In 2007, an extension of the original TMF was constructed, and in 2008 lateral dikes were constructed for water management purposes. Weekly water monitoring is conducted at eight monitoring wells near the TMF to monitor any seepage through tailings dam lining materials, and five monitoring wells near the waste rock facilities are also monitored. There is a program of ongoing monitoring in our site Environmental Management Plan and Environmental Monitoring Program at BGM.

An independent review report was published in 2017 for the BGM TMF, which had no findings of significance. The TMF is also subject to annual inspection and review under national government supervision. The most recent report was in 2020, and no findings of significance were reported.

Our Lagunas Norte operation produces no tailings and is not contemplating any project that will result in tailings production.



Tailings Facility of Boroo Gold Mine



Mining Supervisors working on the Tailings facility of Boroo Gold Mine

POLLUTION

At both sites, our ESIA's apply a mitigation hierarchy for managing environmental impacts derived from potential pollution sources. Our design and operational controls target avoidance, then minimization, reduction and – if the previous steps are insufficient – compensation for impacts.

At BGM, our ESIA's were prepared under the national law on environmental impact assessment for each mining project. An ESIA was prepared in 2017 for open pit mining at the Ulaanbulag hard rock deposit. Another ESIA was prepared in 2019 for open pit mining of some placer deposits. An addendum to this ESIA was prepared in 2020 addressing impacts of all placer deposits identified in the applicable feasibility study. The ESIA's include long term environmental management plans that detail the impact assessment, mitigation and monitoring. Laws relating to environmental aspects such as water and waste provide a framework for our compliance obligations. By statutory requirement each ESIA must be approved by both government authority and community representatives before the commencement of any activity.

At Lagunas Norte, impact assessment and mitigation occur under the environmental licencing agency (SENACE), governed by Peruvian law. Approved ESIA studies inform the site's environmental management plans and associated pollution control measures. According to Peruvian law, community approval of an ESIA is not required, however the community must be informed and must participate during the ESIA preparation process.



CYANIDE MANAGEMENT

Gold recovery at both of our sites entails the use of cyanide. Both sites are currently certified under the International Cyanide Management Code (ICMC), which is implemented by the International Cyanide Management Institute. Under this scheme industry leading practices are implemented governing the safe transport, storage, use and disposal of cyanide. All workers and contractors who handle, transport, and dispose of cyanide undergo specialized training. Onsite emergency response teams also receive specialized training and equipment to ensure any incident is safely addressed. All cyanide is purchased from companies that are also certified under the ICMC.

ENERGY MANAGEMENT

Energy consumption and energy efficiency contribute to operational cost management as well as emissions management. At BGM, our Energy Management System is certified to ISO 50001:2018 – Energy Management. It implements policies and procedures for the efficient use of energy, defines roles and responsibilities, sets targets for improved energy management and monitors and measures progress. This supports efficient energy use and the continuous improvement of energy management. Training is provided for employees and contractors on the system and the ISO 50001 standard. An independent audit of the BGM Energy Management System undertaken in late 2020 found no non-compliances.

While Lagunas Norte records and reports energy utilisation data monthly from the various energy sources used, it does not yet have an energy efficiency program. New Peruvian environmental laws coming into force will require an energy reduction plan, and we will introduce an Energy Management System that conforms to these requirements.

GREENHOUSE GAS EMISSIONS

Lagunas Norte collects and internally reports on carbon emissions. Its Greenhouse Gas Emissions (GHG) inventory program was rolled out in prior years and data were collected using Carbon Disclosure Project protocols. Lagunas Norte will conform with any future national initiatives that require determination of industry carbon emissions as a precedent to GHG reduction. BGM has yet to commence its GHG emissions calculations and reporting.

A corporate GHG disclosure program that covers both sites and supports operations is being developed to align with established international reporting protocols.



Environment Monitoring near Boroo Gold Mine



BIODIVERSITY AND PROTECTED AREAS

Biodiversity management is a key part of our mine development, operations, and closure processes. Our mine development relies on ESIA studies to identify any biodiversity values of note. The design and construction of our mines and associated infrastructure avoids, minimises, or mitigates harm to these values. Operational plans include monitoring to ensure that biodiversity values are preserved or, where possible, enhanced. Rehabilitation and mine closure planning occur in a way that attempts to preserve, enhance, offset or connect areas of biodiversity value for long term stability consistent with local ecosystems.

The ESIA processes for the area within the licence perimeter of the BGM operation did not identify any significant impacts to biodiversity or species of special management concern. All species encountered were classified as 'least concern' under the International Union for the Conservation of Nature guidelines. There were no habitats of importance to listed species or formal protected areas in the vicinity of the mine.

While there were no unique biodiversity values threatened at BGM, the ESIA did identify potential post-closure residual impacts of significance to native grassland and forest habitat. In 2016 we established a cooperation agreement with National Federation of Pastureland Users Group (NFPUG) to implement biodiversity offset measures relating to pastureland management. In 2017 we developed the "Implementation Plan of the Boroo Biodiversity Offset Program" in cooperation with NFPUG that details how we, the community and contractors work together to achieve target biodiversity offset outcomes.



Subsequently an independent audit of the BGM operations was undertaken in 2018 which included our performance against the scope of biodiversity offset related legislation and other reporting. BGM met 100% of the criteria established for this program.

The Lagunas Norte project ESIA studies did not identify any species of special management concern. There were no protected areas identified. However, wetlands within the license perimeter were classified as habitats of concern. Our environmental management plan at Lagunas Norte includes specific protection and monitoring of the wetlands and includes ongoing monitoring of the general ecosystem health at the site.



Biological rehabilitation activity with involvement of local community near Boroo Gold Mine

MINE CLOSURE

Our long-term planning for mine closure is framed by regulatory requirements, stakeholder expectations and our own standards of social and environmental responsibility. We plan progressively for mine closure in a process that begins with pre-development ESIA and develops throughout the life of the operations. All our current closure plans are approved by relevant national authorities.

The current mine closure plan for BGM is based on an approved 2011 ESIA. It is valid until the projected end of the mine life, which is estimated at 2027. An update to this closure plan will be prepared in 2022-2023 pursuant to statutory requirements. Closure cost estimates were prepared in 2017, reviewed by third party experts, and are reflected in our financial disclosures.

Financial guarantees are in place through escrow accounts, in accordance with national law.

At Lagunas Norte, progressive closure and rehabilitation of some facilities has occurred historically, primarily at waste rock facilities. There is a current closure plan that identifies late 2023 as the end of all mining and processing activities, and the subsequent commencement of final closure. We are currently preparing an ESIA for the Carbonaceous Material Oxide Project, the next phase of the operation which will recover gold from carbonaceous ore. Another project is in the planning phase to process sulfide ores through the Refractory Material Project. Upon approval by authorities in Peru, these projects could extend the life of mine to 2043, which in turn will change the closure planning horizon. This will require an update to mine closure planning.

Financial guarantees for closure at Lagunas Norte comprise funds placed in escrow, of 50% of the estimated closure costs reflected in the 2023 closure plan, with the remaining 50% posted by prior owners. These are noted in our financial disclosures. Within the next year Boroo's obligation will be increased to 100%. Contingent on approvals of the next phase of operations, mine closure planning will be revised, and closure cost estimates will be updated.



CASE STUDY – CONTINUOUS IMPROVEMENT IN WATER QUALITY

Lagunas Norte Mine has a comprehensive water management strategy that includes the collection and management of contact water, channeling it to storage ponds for treatment and water quality monitoring, prior to discharge into the environment. The implementation of these best management practices ensures the water quality of the streams, rivers, and water bodies located downstream of Lagunas Norte, thereby complying with Peruvian environmental regulations.

In accordance with this strategy, the Vizcachas 1 pond was built within sub-basins of the Chuyugual River for the purpose of collecting the contact water coming from the northern sector of the East Waste Rock Dump (EWRD). From this pool the contact water is pumped to the perimeter channel of the EWRD and finally the flow is directed to the Acid Rock Drainage (ARD) Treatment Plant and to the New ARD Pool for treatment and discharge.

Prior to the operation of Lagunas Norte and since 2003 in the headwaters of the Vizcachas Creek, downstream of the Vizcachas 1 Pond, slightly acidic rock outcrops were identified. Therefore, as new infrastructure was constructed, Lagunas Norte decided to capture and treat the runoff from these outcrops as part of the improvement in water management, even though it was not generated by the operation.

The solution considered was to construct a complementary system to the existing Vizcachas 1, building a dam and a second pool called Poza Vizcachas 2, which would capture runoff from the naturally acid outcrops and collect water from the overflow of runoff and underdrainage of Poza Vizcachas 1. At the same time, a pumping system was implemented in order to return the contact water collected upstream of the Vizcachas Creek, which is controlled by a level sensor with power supplied by electric generator for its operation.

Over time and given the inaccessibility and insolation of the Vizcachas area, the need arose again to continue improvement of the water management system so that it could respond automatically and keep operators safe in case of adverse weather conditions due to electrical storms. For this purpose, a power line was extended to this area, control loops were established in the pumping system and an automatic start-up system of the backup generator group was established in case of any power failure. These improvements resulted in an autonomous mechanism that responds quickly and efficiently to pumping needs and water level adjustments.



With these measures Lagunas Norte mine optimized not only the water quality of a pre-existing condition to its operation in Vizcachas creeks, but also reinforced its commitment to safety of its workers.



FORWARD LOOKING STATEMENT

Certain information contained or incorporated by reference in this report, including any information relating to our strategy, projects, plans or future financials or operating performance, constitutes “a forward looking statement”. Forward looking statements in this report are all statements other than statements of historical facts, such as plans, projections, expectations, targets, objectives, strategies or goals relating to environment, social, safety and governance performance, and the underlying assumptions and estimated impacts on Boroo’s business. The words “believe”, “expect”, “anticipate”, “target”, “plan”, “objective”, “assume”, “intend”, “project”, “pursue”, “goal”, “continue”, “budget”, “estimate”, “potential”, “may”, “will”, “can”, “could”, “would”, “should”, “future” and similar expressions identify forward looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions, including material estimates and assumptions that are considered reasonable by Boroo as at the date of this report in light of the management’s experience and perceptions of current conditions and expected developments. Boroo cautions readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, expected, projected or assumed in the forward looking statements. Known and unknown factors could cause actual results to differ materially from the expresses in the forward looking statements. Readers are cautioned that forward looking statements are not guarantees of future performance. All of the forward looking statements made in this report are qualified by these cautionary statements.

Although Boroo believes that the assumptions inherent in any forward looking statements made in this report are reasonable at the time of publication, the reader should not place undue reliance on these statements. Boroo disclaims any intentions or obligations to update or revise any forward looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.



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