

BOROO



2022
**Environmental, Social and
Governance Report**

Metals are an everyday part of modern life. To make the extraction of mineral resources sustainable, we must care diligently for our people, the communities that host us and the natural environment around us, while bringing low cost metals to our customers and markets.

Our stakeholders hold us to high standards of performance in these endeavors, and we will strive to meet or exceed those expectations.

▶ **OUR VISION**

We intend to become a global mid-tier metals producer, known for quality assets, reliable and value-accruing production and contemporary ESG performance.

▶ **OUR MISSION**

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.

▼ **OUR VALUES**



**Attaining
Zero harm**



**Empowering
employees**



**Achieving
sustainability**



**Encouraging
collaboration**



**Deliver
results**



About Us	02	Major Economic Trends	18	Environmental Management	46
Our Reporting Year Dashboard	03	Compliance Management	20	Water Management	48
Where We Are	04	Our Workplace Culture	25	Tailings Management	51
Corporate Initiatives	05	Developing Leaders	26	Pollution Control	55
CEO Report	06	Our COVID journey in 2021/2022	28	Climate Change	57
Our Leadership Team	08	Our Safety Processes	29	Lagunas Norte Gold Mine	60
Our Sustainability Approach	10	Our Safety Results	33	Boroo Gold Mine	72
Our Stakeholders	12	Health and Wellbeing	34	Ulaanbulag Gold Mine	84
Our Material Aspects	14	Our Local Communities	36		
Risk Management	16	Our Community Development	41		

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 report, Boroo's production assets include these two gold mining operations, located in Mongolia and in Peru respectively.

BGM is a conventional open pit mine started in 2003 and located in north central Mongolia, Selenge province in Bayangol and Mandal districts 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, as well as placer deposits located within the BGM concession area.

Close to the Boroo Gold Mine is the Ulaanbulag Mine. Our strategy makes use of the proximity of these two deposits by annexing Ulaanbulag Mine as a satellite to the Boroo Gold Mine operations. The ore which is mined at Ulaanbulag is transported via haul routes to the Boroo Gold Mine, where this ore is processed.

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.

About Gold and ESG

Gold is a historically high-demand and scarce metal. It has been used, and continues to be used, in our society as an investment, a jewellery metal, a reserve asset and a technology component. It continues to be a major economic driver for many countries in the world.

More recently, customers and investors within the gold industry have been increasing their focus on responsibly produced and sourced gold. These have been captured within the Responsible Gold Mining Principles (RGMPs) by the World Gold Council in 2019 and reflected in ESG reporting frameworks such as the Sustainability Accounting Standards Boards (SASB).

This report narrates our ongoing journey in progressively implementing principles and processes consistent with the RGMPs, and reporting that is consistent with the SASB framework.



Our Reporting Year Dashboard

Workplace Health & Safety	<p>0</p> <p>Fatalities</p>	<p>2,003</p> <p>Total workforce</p>	<p>0.2</p> <p>LTIFR per 200,000 hrs</p> <hr/> <p>1.9</p> <p>TRIFR per 200,000 hrs</p>
Economic Performance	<p>135.9koz</p> <p>Gold produced</p>	<p>US\$275.9m</p> <p>Sales revenue</p>	<p>US\$119.3m</p> <p>Statutory profit</p>
Environment	<p>0</p> <p>Regulatory infringements</p>	<p>100%</p> <p>Sites with certified EMS</p>	<p>0.51t/oz</p> <p>CO₂e intensity of production</p>
Community	<p>78</p> <p>Grievances logged</p>	<p>US\$0.8m</p> <p>Community investment</p>	<p>US\$28.4m</p> <p>Benefits to governments</p>
Workplace	<p>0</p> <p>Breaches of code of conduct</p>	<p>11%</p> <p>Percentage of women in the workforce</p>	<p>US\$22.3m</p> <p>Employee benefits</p>



Lagunas Norte Mine, Peru	Boroo Mine, Mongolia	Ulaanbulag Mine, Mongolia
Mine type: Open pit	Mine type: Open pit	Mine type: Open pit
Process Type: Heap Leach	Process Type: Mill & Heap Leach	Process Type: nil (process at BGM)
Production (Jul 2021- Jun 2022): 72,126 oz	Production (Jul 2021- Jun 2022) 20,603 oz	Production (Jul 2021- Jun 2022) 43,194 oz
Permanent Employees: 353	Permanent Employees: 254	Permanent Employees: 230
Contract Employees: 1,042	Contract Employees: 108	Contract Employees: 16
Lease area: 445.8 km ²	Lease area: 36.0 km ²	Lease area: 12.0 km ²
Average elevation: 4,100m ASL	Average elevation: 1,200m ASL	Average elevation: 1,000m ASL
Average annual rainfall: 1,450mm	Average annual rainfall: 250mm	Average annual rainfall: 250mm
The Lagunas Norte Mine is sometimes referred to by stakeholders as LN or Minera Boroo Misquichilca (MBM), and this terminology is occasionally used in this report.	The Boroo Mine is sometimes referred to by stakeholders as Boroo Gold Mine (BGM), and this terminology is occasionally used in this report.	The Ulaanbulag Mine is sometimes referred in this report by its acronym UB.

Year in Review: Corporate Initiatives

July 2021	August 2021	September 2021
Audit schedules organized for ISO 50001, ISO 45001 and ISO 14001.	Boroo employees certified in internal auditing capabilities to strengthen organizational governance.	Boroo begins comprehensive rollout of refreshed sustainability policies to all sites, implemented through the following few months.
October 2021	November 2021	December 2021
	<p>Corporate Risk Management Procedure and Risk registration process implementation commenced.</p> <p>Supply Chain policy renewed.</p>	<p>Boroo joins Canada-ASEAN Business Council.</p> <p>Boroo joins Singapore Bullion Market Association.</p> <p>New Vice Chairman joins Boroo Advisory Board.</p>
January 2022	February 2022	March 2022
New Vice Chairman visits Lagunas Norte Operation	Boroo announces improvements to economics of technologically innovative processing 15Mt of previously-mined oxides in Lagunas Norte Carbonaceous Material Optimization Project (CMOP).	Boroo initiates discussions with Toronto Stock Exchange representatives to evaluate listing in the Canadian capital markets.
April 2022	May 2022	June 2022
Business code of Ethics and Social Media Standards updated.	Boroo conducts a Hazard and Operability Study (HAZOP) of the CMOP processing facility	

CEO Report

I am pleased to introduce Boroo's ESG report for the period 1 July 2021 to 30 June 2022. During this period, which was characterized by the global process of recovery from the previous years of COVID19, our people were once again our greatest assets and allies. Despite a year of challenges in global economics and in our supply chains, Boroo is one step closer to realising its strategic goal of becoming global mid-tier precious metal producer within three years' time.

During a year in which our workforce increased substantially to progress key projects, we relentlessly improved our lost time safety performance each month.

My gratitude goes to the whole workforce, led by our operational leadership and safety departments who were in turn backed up by employees and contractors alike. Improved safety performance does not happen by accident; it takes focus, determination and a firm belief in our values.

While I and the Board are proud of this year's safety record, we know there is much more to be done. People continue to get hurt at our operations, and that is unacceptable. We will strive to keep improving, as rapidly as we are able.

We continue to be on track to complete construction, in December 2022, of the strategic Carbonaceous Material Optimization Project (CMOP) at Lagunas Norte. This project will allow Boroo to unlock significant potential at Lagunas Norte. Around 15 million tonnes of gold-bearing materials that were stockpiled historically over the years can, with CMOP, be processed and monetized. It allows the mine to increase production threefold for a period of around seven years, without increasing the pit footprint of the mine.

It is an example of innovative approaches that create substantial value without initiating material environmental and social impacts in the Lagunas Norte area. It speaks to our strategy, which is to find assets that are no longer of core value to its owners and innovate to extend their value-creating lives. This way, we bring our gold to the world markets in, hopefully, a less impact-intensive and less capital-intensive way than traditional greenfield approaches.

During the year we also began applying more disciplined and systematic risk-based approaches to our ESG challenges. We recognize that it is necessary to comply with the laws of our host countries, and I am happy to report that our compliance on environmental and social issues was satisfactory in the last year. We had no regulatory infringements, and no reported breaches of our code of conduct.

Nevertheless, we recognize that stakeholders expect more than compliance. Stakeholder views and concerns around the many aspects of ESG are evolving. From local aspects such as community impacts and workforce health, safety and wellbeing, through to global aspects such as climate change, we are collectively as a society redefining what good looks like. Boroo is committed to evolving our own ESG performance by not only applying sound management, but also by understanding and including in our thinking our stakeholders' perspectives of these aspects.

This is only Boroo's second ESG report, and this year we have begun to adopt reporting in line with the Sustainability Accounting Standards Board's (SASB) framework. We believe that this framework, which is being acknowledged by, and adopted in, an increasing number of security exchanges around the world, provides a useful structure for communicating our performance in a contemporary manner.

For the period reported, we have elected to provide SASB-based reporting for each of our sites. We have also attempted to communicate some of the ESG challenges we face, as well as the ESG outcomes we have managed to achieve at each of our sites.

We hope this year's report gives you insights into each operation, as well as a sense of the way we, as a company, are bringing together common ESG systems and processes to support us in living our values. We recognize that the journey is a long one, and that we are in the early stages of that journey. We are committed to mindfully and systematically improving our ESG performance. In future years we hope to be able to communicate our performance trends in a variety of ESG risk areas so that we can convey clearly to all our stakeholder how we are progressing with our efforts.

Dulguun Erdenebaatar
Chief Executive Officer & President



Our Leadership Team



01

01 DULGUUN ERDENEBAATAR

Chief Executive Officer & President

Dulguun was appointed Chief Executive Officer & President of Boroo in October 2018, following completion of the acquisition of Centerra Gold Inc's (TSE: CG) Mongolian business units, Boroo Gold LLC and Centerra Gold Mongolia LLC.

Over the past 10 years Dulguun has specialized in mining sector mergers and acquisitions and the mining and commodity financial consultancy businesses.

He holds an M.S. in Mega Project Management from Saïd Business School, Oxford University, in the UK.

02 STEPHEN CROSBY

Senior Executive VP, Engineering and Technical Services

Stephen Crosby is a mining professional with more than 30 years' experience in the industry gained at Freeport-McMoran and Capstone Mining Corp. He was a key person in Freeport-McMoran's Morenci mine's Metcalf mill upgrade project. Currently, he serves as a Chief Executive Officer at Arimex Industrial Maintenance and Engineering and holds a seasonal consultant position at Hatch Ltd.

During his career in the industry he has extensively involved in advising on mergers and acquisitions and exploring internal growth opportunities of mining companies.

He holds B.S in Engineering from New Mexico State University.



02



03

03 MENG YAU YEOH

Chief Financial Officer

Meng Yau was appointed Chief Financial Officer of Boroo Pte Ltd in February 2021.

His 26 year career commenced with KPMG, followed by over 20 years working in senior positions in several listed and privately-owned companies involved in a wide range of industries in Singapore, Malaysia and Australia. During that period, he was involved in two successful main board Initial Public Offerings in Singapore and held positions of Lead Independent Non-Executive Director and Audit Committee Chairman in an SGX-listed Group.

He obtained his professional accounting qualification from the Association of Chartered Certified Accountants (United Kingdom) ("ACCA") in 1994.

04 KHURELBAATAR GANBAT

Executive VP, Investor Relations

Khurelbaatar was appointed Executive VP of Investor Relations of Boroo Pte. Ltd in February 2021 following the acquisition of Barrick Gold Corporation's Peruvian business unit Lagunas Norte gold mine. He was part of the negotiation team of Boroo with Barrick Gold Corporation.

Prior to joining Boroo, he held senior positions in international financial institutions, specializing in M&A and capital markets. He holds a B.A in Business Administration from University of Central Arkansas and an MBA from Hult International Business School.



04



05



06



07

05 ALTAN-UCHIR ERDENECHULUUN

Executive VP, Business Development

Altan-Ochir was appointed Executive VP of Business Development of Boroo Pte. Ltd in October 2018, following completion of the acquisition of Centerra Gold Inc's (TSE: CG) Mongolian business units, Boroo Gold LLC and Centerra Gold Mongolia LLC. He was part of the Boroo's negotiation team with Centerra Gold Inc. and most recently with Barrick Gold Corporation for Boroo's purchase of the Lagunas Norte property located in Peru.

Prior to joining Boroo, he worked in consulting, specializing in mining sector M&A.

He graduated from University of Finance and Economics of Mongolia and the London School of Business and Finance in the UK.

06 BILEGTUVSHIN DORJ

Senior Vice President, Exploration and Growth

Bilegtuvshin joined Boroo Pte. Ltd as an Senior VP of Exploration and Growth in October 2019.

He has been working in our subsidiary Boroo Gold since 2003 as a geologist and has more than 20 years' experience in the mining industry, including with Centerra Gold Inc (TSE: CG) and several gold companies in Mongolia.

He holds a Bachelor and Master degrees in Geology from the Mongolian Science and Technology University.

07 JAIME ZÚÑIGA IDE

General Manager - Lagunas Norte Mine

Jaime Zúñiga was appointed General Manager in Minera Boroo Misquichilca, following completion of the acquisition of Lagunas Norte mine from Barrick Gold. He is a mining professional with 23 years' experience gained at Barrick Gold, Codelco and Hatch, in Chile, Perú, Dominican Republic, Brazil and USA, with extensive experience in operations and in engineering.

He holds B.S in Chemical Engineering from Federico Santa María Technical University of Chile, an MBA from the Adolfo Ibáñez University of Chile and from Tsinghua University School of Economics and Management of China; and a Management Development Program at the University of Miami Herbert Business School in the USA.

Our Sustainability Approach

BOROO'S STRATEGY EMPHASIZES A RESPONSIBLE APPROACH TO ESG.

Our business sustainability is linked to the support of our stakeholders. The more support we enjoy from stakeholders such as our investors, customers, communities, our people, governments, and NGOs, the more confidently we can explore for, extract, process, and deliver our products to our markets.

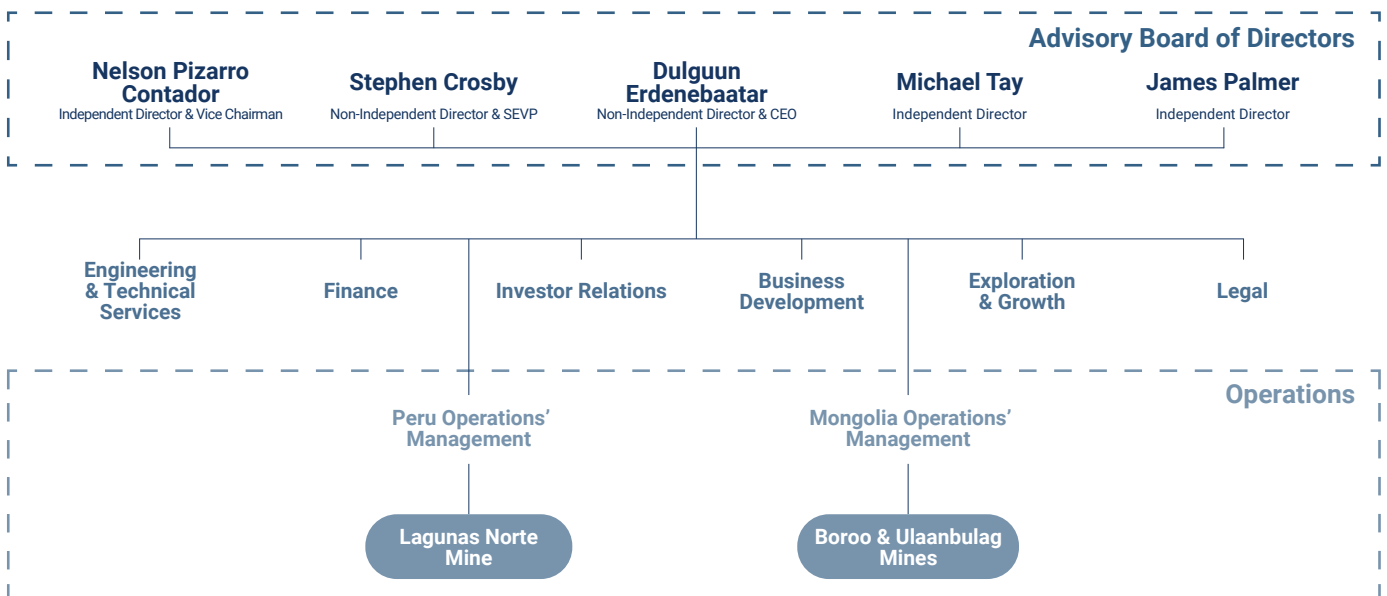
We recognize that our stakeholders value, as we do, the many environmental and social aspects of our society's daily lives. Our operations may sometimes create impacts upon these environmental and social values, which stakeholders expect us to responsibly manage and mitigate. Our stakeholders also hold us accountable for our governance; the way in which we do business to protect the environmental, social and ethical values that are common to us all. Together, these make up our environmental, social and governance, or ESG, expectations.

We also recognize that our stakeholders' views on which environmental and social aspects should be prioritized change as the world around us changes. Some issues grow in importance over time. Sustainability challenges such as climate change, water scarcity and the evolving socio-economic pressures that impact people in and around our operations may develop quickly, and our own sustainability approaches must keep pace with those challenges.

Our sustainability approach hinges on leadership, the way we work, and our performance on ESG matters.

Our sustainability leadership is built into our organizational structure.

Boroo Organizational Structure



ESG risks are recognized throughout our activities; in operations, engineering, mineral processes, strategic matters, finance, business development and exploration functions. Our operational General Managers and line staff, including risk officers, are empowered to recognize and manage ESG risks.

The way in which we work to manage these ESG risks is captured in our policies and standards. We continually build our suite of policies and standards to meet and keep pace with stakeholder expectations. While ensuring that meeting relevant local laws and regulations sets the minimum thresholds of our ESG management, our policies and standards strive to lift our performance above compliance, and in line with stakeholder expectations.

Our policies and standards are supported by operating procedures that are tailor made at each site, to protect the environmental and social values that are material at that site.

Each year, our policies and standards are enhanced and strengthened in line with global ESG developments. New policies and standards may be added as we grow and mature as an international company. So too are new operating procedures, continually improving the way we manage ESG risks.

How well we meet our policies and standards is regularly tested through internal and external audits. We use these audits to inform where improvements are needed, and where good practice can be shared with other sites.

Finally, we measure performance. We monitor our environmental and social outcomes. Some outcomes are monitored continuously; others frequently (for example monthly), and others less frequently (for example quarterly). We report our performance publicly. This year marks the first year in which we have a full twelve months' worth of results across a range of ESG parameters, and the first full year in which we have operated all of our sites. Each year we will continue to measure performance and report performance trends across our operations in our annual Environmental, Social and Governance report.

As we begin to understand our performance trends, we will commence setting targets and reporting against them.



Our Stakeholders



Boroo's range of stakeholders reflects the industry that we are in, as well as the countries and communities in which we operate. Our relationships with our stakeholders are important to us. We seek to engage with them and understand their perspectives and expectations.

We build our engagement on transparent and inclusive relationships in which we seek to listen, communicate and build respectful discussions.

Engagement is done in a number of ways. Some engagements are scheduled and others are ad-hoc.

While we always seek to be proactive, some engagements are responsive to matters or incidents that have arisen. Some of our processes are formal, while others are semi-formal and informal. We attempt to tailor our engagement to the preferences of our stakeholders as well as to the formats that help bring about the most constructive dialogues.

Stakeholder Group	ESG Aspects of Interest	Methods of Engagement
Employees	<ul style="list-style-type: none"> • Health, safety and wellbeing • Employee rights • Benefits and wages • Inclusion and diversity • Training and capacity building • Careers and professional development • Organisational strategy • Site and company performance 	Employee forums and briefings, emails, newsletters, site meetings, toolbox meetings, town hall meetings, performance reviews, interviews
Contractors and Suppliers	<ul style="list-style-type: none"> • Health, safety and wellbeing • Operational performance • Contracts and opportunities • Responsible business practices • Alignment with Boroo ESG standards 	Contractor briefings, contracts, emails, site meetings, toolbox meetings, town hall meetings, interviews
Local communities	<ul style="list-style-type: none"> • Local employment opportunities • Opportunities to furnish goods and services • Community investment and benefits • Environmental and social impacts • Community health and safety • Pollution prevention • Water 	Community Relations team interviews and visits, community meetings, community leader meetings, grievance mechanisms, sponsorships, local media, social media, community newsletters, interviews
Government and regulators	<ul style="list-style-type: none"> • Compliance with regulations • Permits • Local employment • Local content in supply chain • Taxes and royalties • Infrastructure contribution • Pollution prevention • Tailings (BGM only) and waste • Water 	Meetings, briefings, interviews
Non-governmental organizations	<ul style="list-style-type: none"> • Community investment and benefits • Environmental stewardship • Human Rights performance • Equity in sharing benefits • Climate change • Tailings • Water 	Annual ESG reporting, meetings, site visits
Customers	<ul style="list-style-type: none"> • Operating performance • Reserves and resources • Compliance with government regulations • Quality assurance • Product stewardship 	Meetings, reports, site visits, interviews
Shareholders and investors	<ul style="list-style-type: none"> • Financial and operating performance • Reserves and resources • ESG performance • Climate change • Pollution prevention • Reputation • Compliance with government regulations • Corporate governance 	Annual reports, production and exploration reports, emails, website, briefings, market announcements, Annual General Meetings, industry conferences, social media, interviews

In addition to the above methods, we also rely on our public reports, such as our Annual Reports and this ESG report, to help engage with all our stakeholders.

Our Material Aspects



We listen to our stakeholder concerns, striving to understand the issues that are communicated to us.

We periodically review our most significant stakeholder concerns as well as those ESG aspects that are most impactful to our operations and organization.

While we acknowledge and strive to alleviate all concerns, we work especially hard to identify and understand the issues that rank highly with our stakeholders. Where these concerns also impact our ongoing relations with stakeholders, our operations or our organisational values, we call these concerns our Material Aspects.

Safety, Health and Wellbeing	Collaborating with our Local Communities
<p>This includes the systems, processes, culture and performance in the areas of physical safety, health and hygiene, COVID19 and other diseases, fatigue, physical/chemical/biological hazard management and mental health.</p> <p>While our employees and contractors work in heavy industry and are therefore consistently in proximity to various risks, the safety, health and wellbeing of the communities in which we operate is also included in this aspect.</p>	<p>Our ability to hear and understand community expectations and concerns, to be able to respond effectively and collaborate on a range of issues defines our social licence to operate.</p> <p>In working with our local communities, we can better ensure that our proposed activities are informed by community insight and wisdom, and that the solutions we propose to manage issues of concern are co-created with our hosts and neighbours.</p>
Regulatory Compliance	Pollution Control
<p>We work in different parts of the world; Peru and Mongolia have very different policy and regulatory expectations. Our governance processes must be able to capture these expectations and manage our operations to meet regulatory requirements so that we are always compliant with local laws and regulations.</p> <p>Regulatory compliance marks the threshold of building trust with the governments and communities that host us. While we may strive to exceed compliance in many areas, we must first ensure we achieve compliance always.</p>	<p>Our operations are large, and cover significant footprints across the landscape. These footprints extend beyond just the surface landscape, to the watersheds below and airsheds above. Our impacts on these, covering land, water, air and noise pollution, must be minimised; at least to within regulatory limits and preferably to meet stakeholder expectations.</p> <p>Our environmental management systems, upon which we rely on to manage all aspects of pollution, must be effective at all times.</p>
Water Management	Climate Change
<p>Water, a shared and precious natural resource, is important not just to us but also to many of our stakeholders, such as our communities and governments. Our water management considers sources of water supply and the co-reliance on these sources our operations and our stakeholders, as well as the impacts on water that may occur as a result of our operations (see Pollution control).</p> <p>As a result, our stewardship of this natural resource, our minimisation of our freshwater use and our preservation of water resources around us are a material aspect for us.</p>	<p>We recognise the urgency with which the world must act to limit global warming. The impacts of global warming are of grave concern to all our stakeholders as well as to ourselves. Our energy use and our carbon emissions must be constantly managed and reduced in order to contribute responsibly to limiting global warming.</p> <p>We recognise too that climate change is already under way, and that some impacts are inevitable. Assisting our local communities to adapt and build resilience is a key part of our focus (see, for example, Water Management)</p>
Tailings and Mine Waste Management	Community Development
<p>Two significant by-products of gold mining can be mining waste (overburden and interburden rock) and process waste (tailings, where certain processes are used). Volumes of each can be substantial of the life of a mine.</p> <p>The physical and chemical management of this waste is a key issue for the mining industry. In addition to its waste management challenges, the mining industry has recently further acknowledged the risk to environment, property and life that some tailings facilities can pose. The failure of mining waste management can have severe long-term consequences, and therefore rates as a material aspect.</p>	<p>The communities in which we operate seek to benefit from our long-term presence. How we distribute value within local communities is a key component of sharing common futures and enhancing our licence to operate.</p> <p>Our presence for many years can stimulate local socio-economic development. Our stakeholders expect us to help direct this stimulation wisely, to develop positive legacies for the communities within which we operate that extend long after our operations cease. We strive to find opportunities for these positive legacies in conjunction with our host communities (see Collaborating with Local Communities)</p>

Risk Management

IN 2022 WE BEGAN DEVELOPING A MORE INTEGRATED ESG RISK MANAGEMENT PROCESS. WE USED THE ISO 31000: RISK MANAGEMENT GUIDELINE AS OUR FOUNDATION.

Previously, we had inherited mature risk management systems with the acquisition of each asset, in particular the Lagunas Norte mine. However, there were differences between the risk management processes at our operations, attributed to their respective legacy ownerships.

In 2021 we recognized the need to develop and transition across to risk management approaches common to all sites. We believe that in time this will allow Boroo to recognise and manage its ESG risks in a way that is more transparent to senior management and the Board, and more comparable between sites.

During 2022 we began building into our risk identification approaches our stakeholders' views of the environmental and social risks that occur across our sites. We understand that our stakeholders, particularly our communities, employees, governments and NGOs, may have different perspectives and sensitivities to certain risks. We recognize that effective management of risk in the eyes of stakeholders begins with a common understanding, shared between Boroo and our stakeholders, of those risks. Consequently, our stakeholders' views of risks are essential to developing that common understanding.

In the previous section we highlighted Material Aspects that Boroo and its stakeholders identify as most important to our operations.

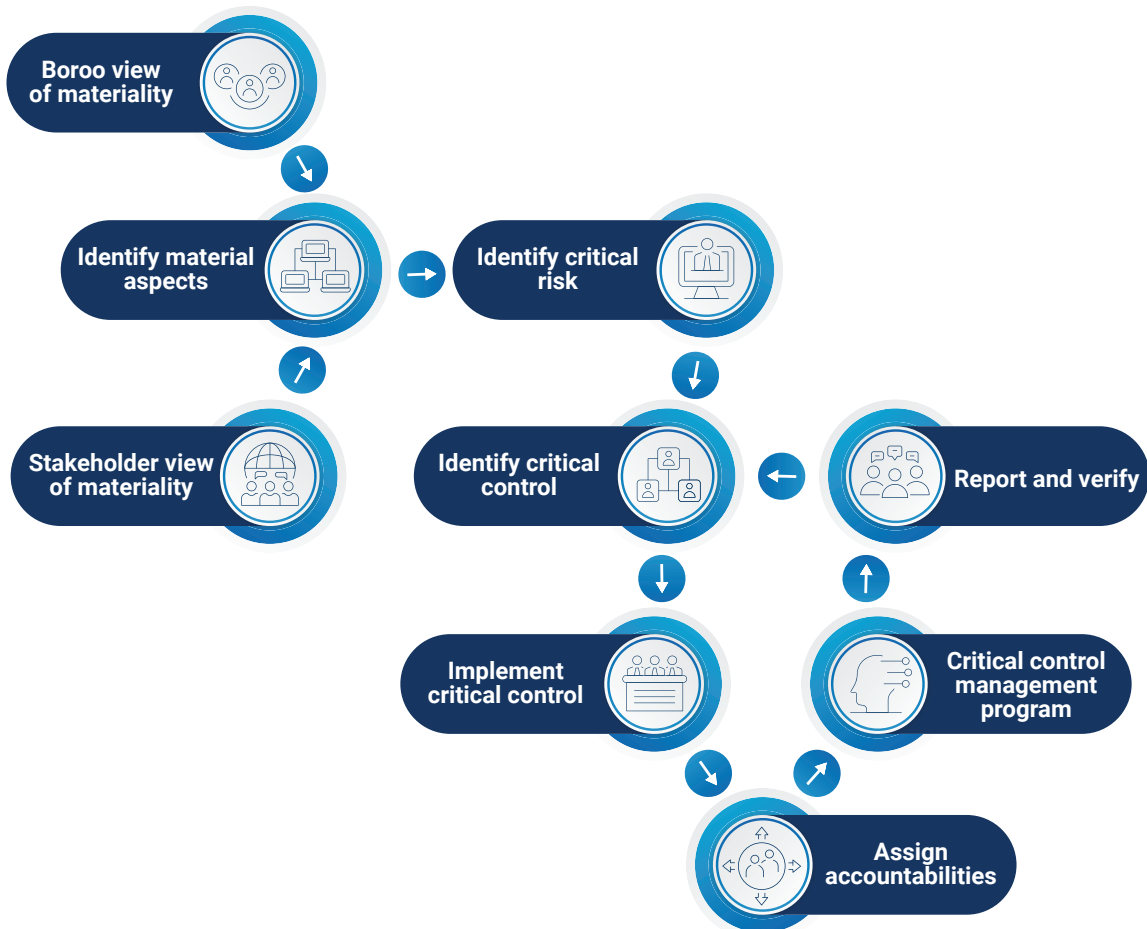
We currently manage the environmental risks using our environmental management systems that are accredited to ISO14001: Environmental Management Systems. We manage the safety risks using processes aligned with ISO 45001: Occupational Health and Safety Management Systems. These international standards have served us well in the past and we continue to align our systems with them.

However, we continue to improve our approaches. In 2022 we began identifying our critical safety risks and critical controls. Our critical safety risks are those operational risks that may result in harm to our employees or contractors. We manage these critical safety risks using a suite of controls that include a particular focus on critical controls. Critical controls are those actions we take to dramatically reduce risks.

We plan to extend this approach into the environmental and social fields. Identification of critical controls will help our sites focus on the risk mitigation actions we can take that have the greatest impact. This will progressively help us focus our resources on the control actions that matter the most, reducing organizational effort on less effective management controls and increasing the productivity with which we achieve improved ESG performance.

Our risk register process will then be upgraded to include critical control evaluations. This will provide senior management and the Board with improved visibility on the successful implementation of our critical controls. In turn, this is expected to improve senior management's ability to identify where Boro's resources can best be directed to manage ESG risks in a resource- and cost-effective manner.

The program of developing our critical risk and critical control program is expected to take several years, as we bring greater technical expertise into our risk management process.



Major Economic Trends

In the last half of 2021 the effects of the global COVID19 pandemic began to reduce. Manufacturing increased and the economy in many parts of the world began to recover. However, for some countries, border restrictions persisted.

Mongolia, which imports more than 90% of goods and materials, was one such country. Freight costs increased dramatically and our material turnover decreased. In order to overcome these problems, we placed large orders of key chemicals from different sources and other materials and built substantial stockpiles.

As a result, we reduced the risk of plant shutdown arising from chemical and other inventory shortages. However, the price of cyanide, steel balls and other chemicals had already increased compared to the last half of 2021. Consequently the cost of producing ore by our CIL plant increased.

Further geopolitical instability occurred in beginning of 2022. Russia cut its exports of ammonium nitrate. This caused price increases in explosives. As a result, the cost of blasting increased by 2.5 times compared to the previous reporting period. At the same time, increases in the price of diesel and spare parts raised the cost of drilling by 25%.

Later in the first quarter of 2022, the oil price reached a record high for the last decade. The price of diesel increased further into the second quarter of 2022.

During this period, most countries were fighting soaring inflation. Countries such as the USA and economies such as the European Union tightened monetary policies.

As a result, the Mongolian tugrik (MNT) weakened against international currencies, and its purchasing power decreased. Dwindling foreign currency reserves in Mongolia saw commercial banks limiting currency exchanges, making foreign trade more difficult.

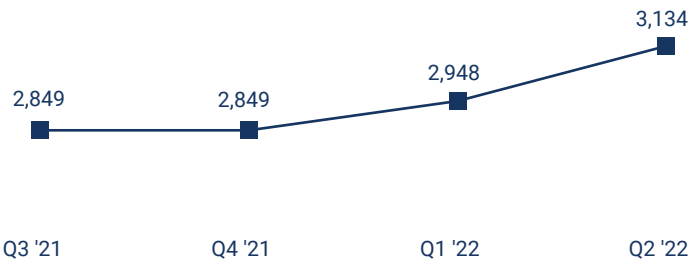
Economic forces such as these are currently felt by many, if not most, companies around the world in our current climate. However, Boroo focuses on safe, effective and efficient low cost production at its sites.

Despite these external economic forces, we seek value through innovation.

Projects such as our Carbonaceous Material Optimization Project (CMOP) in Peru’s Lagunas Norte operation are an example of how we are applying technological innovation to turn sites that have been undervalued in the past into strongly performing assets.

The CMOP project, which underwent construction through much of 2022, remains on target to achieve its first gold pour by the end of the calendar year. This will allow us to process around 15 million tonnes of high-grade gold bearing oxides mined early in the life of the Lagunas Norte property, before our acquisition of the asset; a key example of how Boroo’s management delivers value through innovation.

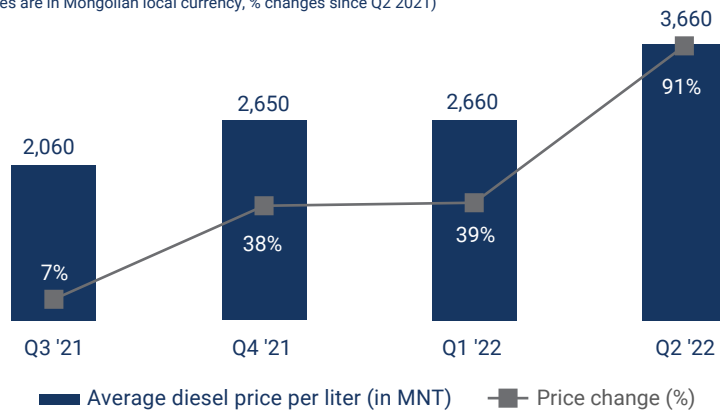
USD/MNT exchange rate by quarter



Source: Bank of Mongolia

Diesel price per liters and price changes

(prices are in Mongolian local currency, % changes since Q2 2021)



Sustainability Policies Roll Out to Sites

In 2021 our leadership refined our suite of corporate policies. These were subsequently presented to our mines in Peru and Mongolia in 2021 and early 2022. Training on these policies, which has already begun, will be a continuous follow-up action to assure that alignment is incorporated at all levels of our operations. Additional policies will be developed and rolled out in the future, as appropriate.

A **Code of Business Conduct and Ethics** reflects the values underpinning all of our behaviors and our relationships with our stakeholders. We are committed to the highest standards of legal and ethical business conduct and to act in an ethical manner in all our dealings and our day-to-day operations.

An **Anti-bribery and Anti-corruption Policy** prohibits bribery, corruption, facilitation payments, payment of secret commissions, breach of sanction laws and exercise of improper influence. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity.

Our **Anti-money Laundering & Prevention of Financing of Terrorism Policy** commits us to carrying on business in accordance with the highest ethical standards. This includes complying with all applicable laws and regulations aimed at combating money laundering and prevention of the inadvertent financing of terrorism.

The **Global Harassment and Violence Standard** is a commitment to provide safe workplaces for our workforce, free from harassment and violence. Boroo considers harassment and violence to be unacceptable behavior in the workplace and will not tolerate this behavior under any circumstances.

Our **Human Rights Policy** advocates respect for the human rights of all individuals impacted by our operations, including employees, contractors and external stakeholders. Our policies and standards align with international standards, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Voluntary Principles on Security and Human Rights.

The **Boroo Environmental Policy** commits us to the implementation of high standards of environmental performance across all of its operational mines, exploration sites and closure properties. We believe that focus on environmental management is an integral part of our commitment to sustainable social and economic development.

Our **Occupational Health and Safety Policy** acknowledges our responsibility to provide and maintain a working environment that enables employees, contractors, suppliers and visitors, to achieve our vision of "Every person going home safe and healthy every day".

These policies are available on our website.



Compliance Management

Boroo's operations are located in Mongolia and Peru, two countries with different laws, legal frameworks and regulatory expectations. It is essential to our ongoing operations, and to our social licence to operate, that we comply with all laws in all applicable jurisdictions.

In both Mongolia and Peru, as in most parts of the world, laws and regulations evolve constantly to reflect increasingly higher community expectations. At each site, we monitor and track legal obligations so that we are fully aware of our responsibilities at all operations and at all times. In order to do this, each site has a responsible department that tracks legal obligations.

At Lagunas Norte, responsibility for monitoring legal requirements and ensuring legal compliance is held jointly between the legal group and each functional area. The legal department maintains vigilance over Peru's legal and regulatory frameworks that apply to the mining industry as well as its social and environmental impact areas. The legal group operates a system for tracking all commitments, including environmental, social and mining operational (including safety) obligations.

All changes to regulatory requirements, and any impending legal expectations, are monitored by the legal department and communicated to each functional area. Alerts are generated when new regulations are formalized. Each functional area, together covering all aspects of our mining, environmental and social activities, is responsible for meeting those legal and regulatory requirements. The legal department reviews the functional areas and provides confirmation that legal and regulatory requirements are being met.

At the Mongolian operations, comprising the Boroo Mine and the Ulaanbulag Mine, the compliance department maintains control over legal and regulatory compliance. The compliance department operates a document management system that tracks all legal obligations associated with permits and licences. These obligations cover environmental, social and mining (including health and safety) requirements that apply to our mining, hauling, processing and waste management operations.

Each functional area has access to these legal obligations. The functional areas are responsible for managing activities in compliance with these obligations.

At all sites, compliance also includes business ethics such as compliance with our Code of Conduct and Anti-Corruption obligations.

During the reporting year Lagunas Norte had no reported breaches of compliance in any area. There were no regulatory warning notices and no fines reported. There were 7 statutory inspections and audits carried out by environmental, social and safety regulatory bodies, which the site passed successfully. This included Peru's Ministry of Environment (OEFA), which conducted its Annual Regular Environmental Supervision Audit of the Lagunas Norte site in November 2021. The audit included thirty-seven components of the mining operation as well as many other elements within the scope of the audit. No non-conformances were identified, and the audit yielded a number of opportunities for improvement.

During the same period, our Mongolian operations at Boroo Mine and Ulaanbulag Mine also had no reported breaches of compliance in any area. There were also no regulatory warning notices, and no fines reported. There were 4 statutory inspections and audits carried out by environmental, social and safety regulatory bodies, which the sites passed successfully.

Presence in Key Organizations Expanded

In December 2021, Boroo joined the Canada-ASEAN Business Council (CABC). The CABC is a nonprofit organization established in 2012 at the request of Canada's Minister of International Trade through Global Affairs Canada to promote and increase trade relations between Canada and ASEAN (the Association of South-East Asian Nations).

Since its founding, the CABC has produced many key initiatives to enhance outcomes for Canadian businesses in the region. These include the production of an "Opportunities Study" for Canadian Companies, and Canada-ASEAN Business Outlook Surveys to better understand the obstacles of doing business in the region.

CABC membership includes leading Canadian enterprises active in ASEAN and is open to companies conducting business or considering doing business between Canada and the ASEAN region. The CABC is headquartered in Singapore and has a representative office in Montreal, Canada.

Boroo intends to work closely with CABC to help promote trade relations between Canada and ASEAN. by providing input to accelerate the economic growth, social progress, and cultural development, as well as to promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific, and administrative fields.

In the same month, Boroo also joined the Singapore Bullion Market Association (SBMA), which promotes Singapore's bullion activity in the Asia-Pacific region.

SBMA is a non-profit organization formed in December 1993 by 16 corporate members from the precious metals industry to represent key stakeholders, which included bullion banks, exchanges, refineries, bullion merchants and secured logistics support companies. SBMA plays a pivotal role in the development of Singapore as one of the global centers of connectivity for precious metals. It provides market knowledge and advice to relevant ministries and government agencies both in Singapore and ASEAN, and is particularly conducive to enhancing the business environment for the precious metals sector in Singapore and the Asia Pacific region.

Boroo intend to work closely with SBMA to help Singapore become a more vibrant precious metals trading centre in the Asia-Pacific region.

Reflecting comments made in the Mining Journal in December 2021, Boroo's CEO Dulguun Erdenebaatar discussed at SBMA the history of Boroo, the acquisition of Mongolian assets, the more recent acquisition of Lagunas Norte and the outlook for the company. He also highlighted Boroo's ESG journey and its reporting, which underlines the company's commitment to ESG as an intrinsic part of Boroo's future growth and prosperity aspirations. These aspirations include fulfilling Boroo's goal of becoming a mid-tier gold producer within the next three years.

Dulguun acknowledged that capital raisings would be essential to becoming a mid-tier producer, highlighting that different strategic options are being assessed to go public. He reiterated Boroo's conviction that the company is in the right business at the right time, with options to scale up responsibly and efficiently. The company's focus on its ESG principles, he stressed, was an essential part of that journey.

Corporate Leadership on Risk Management

Mining is a heavy industry that has the potential to leave a large footprint. Mining operations and their associated activities introduce a broad range of potential risks to safety, the environment, and stakeholders. Stakeholders affected by risk can be very broad, encompassing communities, employees, management teams and company shareholders.

In today's mining businesses, risk management is considered a core function. There is an expectation that risk management systems will be led by the Board and senior management. For example, The International Council on Mining and Metals includes among its ten Sustainable Development Principles one that requires members to 'implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks'. In addition, the Responsible Mining Initiative (RMI) attempts to consolidate a fragmented landscape of risk management approaches in the mining sector through its 32 Risk Readiness Assessment criteria. The institutional investment sector recognizes the importance of sound risk management that includes not just financial risks but non-financial risks (including ESG) as well.

As a relatively new company, we are developing systems that reflect and support good corporate and site-level risk management practices for key aspects of our operations. Our sustainability policies reflect many of the principal risks of mining sector, such as in the arenas of health & safety, environment, business integrity and human rights. We recognize that effective policy implementation is leadership-driven, and have progressed development of a system that will provide common risk management approaches across sites and connect vertically with corporate senior leadership.

Boroo Gold approved a corporate risk management procedure and risk registration procedure in 2021. Implementation of the risk management procedure is the responsibility of Senior Vice President for Operations. A consolidated corporate risk register is monitored and maintained by our corporate compliance functional area. The individual mine sites inherited a practice of using risk registers to identify, monitor and manage key business risks. These registers are based on the use of such common tools as a matrix incorporating likelihood and consequence, a ranking system and appropriate controls for highly ranked risks.

The purpose of the new corporate risk management procedure is to create a whole-of-organization risk management approach for our operations and projects. This will facilitate the recognition, documentation and communication of risks, and subsequent control of risks to acceptable levels. This procedure will apply to all employees, officers and long-term contractors on all activities, projects and programs being implemented by Boroo Gold.

Department heads are obligated to submit updated key risks descriptions to corporate leadership on a monthly basis. Prior to the development of this procedure, the sites had some differences around methodology for the identification of risks, in the ranking process, the planning of controls and in the evaluation of performance. These differences are being addressed with all department heads through their participation in training on common risk management practices.

This leadership effort, driven in 2021 and 2022 by Boroo's corporate group, will cascade down through the organization. It is intended that over time, the foresight, discipline and rigour of risk management will be consistent across all operations. This in turn will allow the comparability of risks across the portfolio to be assessed by corporate teams, the Executive Leaders and the Board so that Boroo Gold's risk governance is continuously improved.

Our People



Recruitment Focuses on University Talent

There is a global shortage of skilled workers that threatens to limit business continuity and growth in many sectors. This shortage has been exacerbated by recent events such as COVID-19, the fraying of supply chains due to geopolitical and other factors, and the surge in demands of sectors mobilizing around decarbonization and climate change.

Meanwhile, the Boroo Gold investment strategy is focused on future growth. We acquire developed assets with significant remaining mineral potential. These assets may be under care and maintenance status with, at the time of acquisition, reduced numbers of staff. Sourcing professional staff to support a return to operations and even expanded production is therefore an ongoing challenge for us.

Innovative mining companies are looking at “pipelines” of employees, seeking ways in which to continuously source, recruit and develop people. One of the innovative frameworks used by human resources functions is through Memoranda of Understanding (MOUs) with national universities that develop and foster the STEM, mining industry and associated skills needed by the industry. These co-operative programs attempt to reach further upstream in the “pipelines” of talent at universities, and perhaps even make those pipelines more attractive to school leavers.

MOUs were concluded with the Geology and Mining School of the Mongolian University of Sciences and Technology in December 2021, and the German-Mongolian Institute for Resource and Technology in April 2022.

There are two specific objectives of the agreement between Boroo Gold and the cooperating universities and institutes.

The first objective is to prepare a professional workforce specialized in several areas. These include exploration and ore control geology, open pit mining operations, processing plant operation, mineral concentration technology, and heavy duty equipment service and maintenance. In securing this objective, the MoUs seek to create opportunities to enhance professional skills, continuously learn and build capacity within the universities.

The second objective is to improve the capacity of universities to generate skilled graduates, potentially increasing the number of people in the pipelines. This is done through the creation of expanded training materials that can be applied under exchange programs. Through the exchange program, students who fulfill company requirements are provided opportunities at the Boroo site to perform professional internships, while further allowing Boroo to provide vacancy information and to recruit at universities and institutes. Through the MOU vehicle, students may participate in international and national scientific conferences, invite specialized professionals to workshops, participate in mine production and management test work and research, and participate in making operational improvements at the site. These provide potentially attractive pathways for students to move into their career environments.

The program quickly began to pay dividends in 2022. During the first half of the reporting year, the potential pipeline of talent available to us from this program at the Mongolian University of Science and Technology comprised ten students graduating in January 2022 and seventy-one students graduating in June 2022. From this group, three students were hired in the surveying engineering and process plant operations skill sets.

In addition, and further up the pipeline, a number of internship contracts have been established with students. These students have been performing internships at our project site. Our human resource activities included observing the work of students undertaking Diplomas in a variety of courses, and potentially graduating in May 2022. Their research was evaluated with a view to engaging this talent pool for our operations. We have also developed a program for on-site training by specialized teachers for professional occupations at our project site after commencement of the academic year in autumn.

The tertiary education institutes also prepared development programs designed for employees to further their skills, knowledge and career prospects. These were delivered to Boroo and disseminated to all employees.

In addition, we have been cooperating with other education institutions to apply MoUs. We have engaged during the reporting year with the University School of Mechanical Engineering and Transportation, the School of Sciences and Technology at Darkhan-Uul province and the Vocational Training Center in the nearby community of Mandal district, Selenge province using a similar pipeline growth strategy.

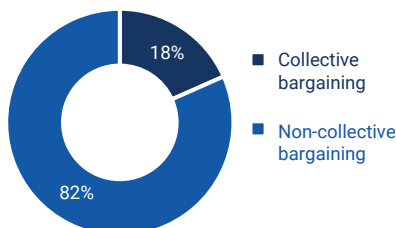
Our Workplace Culture

Our values bind our people together in a common organizational culture. We value each other, our individual and collective wellbeing, and we strive for zero harm. Together, we aim to foster a workplace culture that supports professional development and career progression. We encourage and reward collaborative behaviors and actions, fostering diversity of thought and opinion as we drive our production and growth strategy forwards. At Boroo, we understand that these values lie at the heart of delivering results through an engaged, productive and empowered workforces. Finally, we do all of these with a view to operating sustainably, so that our current considerations and decisions always consider other stakeholders and our collective future.

Supporting our workplace culture and our employees' rights are ESG policies such as our human rights policy, our global harassment and violence standards and occupational health and safety policy.

Our working hours include shiftwork, with average working hours totaling around 170 hours per month. All overtime hours are voluntary and paid.

Global percentage of personnel enrolled in collective bargaining

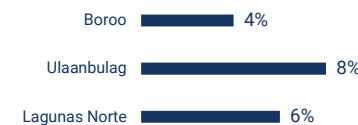


We do not tolerate discrimination, child labor or forced labor, and all of our locations have in place employee grievance mechanisms that support a fair and just system of hearing and adjudicating workplace issues.

In July 2021, we commenced with a combined workforce of 1,265 employees, comprising 550 direct and 715 contract employees. At the end of June 2022, our combined workforce was 2,003 employees, which was made up of 837 direct and 1,166 contract employees. The increase was largely due to our expansion projects. Post COVID19, many industries across the world have witness significant workforce turnover. Our voluntary turnover rates across all sites were relatively low by current global mining standards, and around 6% within the group.

All sites have freedom of association and protect the individual's right to collective bargaining. Collective bargaining is voluntary, and our uptake varies from site to site. In 2022, none of the sites experienced any stand-downs on strikes.

Voluntary turnover rates by site



Collective bargaining by site (as percentage of total workforce)



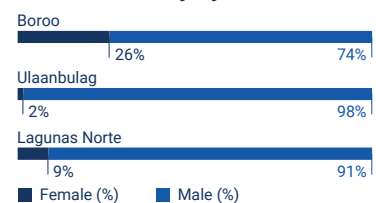
Inclusion and Diversity

We continue to track in line with, and slightly behind, the global average for women in mining. In 2022, around 11% of our workforce was female, remaining steady from 2021. These percentages varied from site to site, with Boroo mine showing the highest percentage of women in the workforce. This is largely attributed to the higher proportion of management and administrative staff at the Boroo mine compared to the other sites.

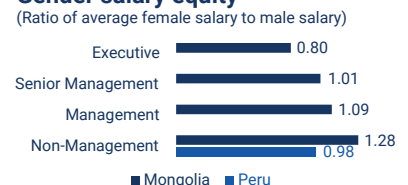
While we continue to be aware of the gender imbalance in the mining sector, and in our organization, we strive to ensure that pay parity is not subject to the same imbalance. In 2022, our gender pay parity in non-management, management, senior management and executive ranks is illustrated for our Mongolian and Peruvian mines below. There is, as yet, insufficient female representation in all the different management and executive levels at Lagunas Norte mine for Boroo group-wide metrics to be accurately reported.

Our workforce largely comprises of national personnel at each site, with very few (less than 0.2%) expatriate personnel across the group.

Gender diversity by site



Gender salary equity



Developing Leaders

Mining is a highly technical business, demanding competence in a broad array of specialized skills. Competent management and leadership are required to coordinate these complex operations and to deliver on our business strategy.

We are committed to investing in the development of management and leadership capacity within our ranks. Our approach to capacity building, including leadership development, is characterized by consistent, clear expectations and accountability, including systems for measuring performance against expectations. The goal of this approach is to build the skills needed to advance the organization along its strategic path, and to foster potential career growth pathways within the company.

We recognize that ownership transitions, such as our recent acquisition of Lagunas Norte, can result in the loss of personnel from management and leadership ranks. This occurred to some degree at Lagunas Norte, and our Mongolian operations were likewise impacted by the extended period of care and maintenance that ended following acquisition. While some losses have taken place at our sites, many leadership roles continue to be staffed by personnel with historical experience. In addition to filling vacancies with qualified staff we are adding senior resources to execute growth projects currently in the pipeline.

Our mission is to create a workforce of skilled individuals capable of fulfilling company goals and delivering on our business strategy. To achieve this, our Human Resources teams develop plans which aim to recruit and retain skilled employees, and to continuously discover and advance their talent, knowledge, skills, and qualifications. Steps in this planning process include 1) Defining training needs 2) training plan development 3) implementation of training plans, 4) monitoring training results, and 5) training evaluation.

Employee capacity building starts with induction procedures for new employees. This covers workplace familiarisation as well as safety and health. During induction, our employees also receive instruction on company ESG policies. Induction training is refreshed on an annual basis. Induction procedures are our basic requirements for commencing work at our operations.

During their employment at Boroo, workers are afforded opportunities for career growth on an ongoing basis. This is facilitated by skills development and training, and includes both technical and management functions. Management and leadership skill training focuses on communication, delegation, team building, coaching and employee performance evaluation.

Our BGM site operates on the basis of 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 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 among the management and supervisory staff. Training records are retained for all employees, serving as the basis for tracking individual growth as well as compliance with policy obligations.

Our training is organized 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.

As we develop and grow the business, we will continue to formalize career pathways and strengthen our training and development programs for leadership. We believe that in time, a development pathway that extends from our entry level positions all the way through to our most senior executive roles will help us attract and retain the best people. We understand that doing so will support our goal to be a sustainable mining company for many years to come.

Safety and Health



Our COVID Journey in 2021-2022

The COVID-19 pandemic resulted in turmoil within the employee welfare, operational, supply chain and economic environments of our company. As the world began emerging from the worst impacts of the pandemic, we began to focus on keeping our employees and contractors safe, and re-establishing stronger operational, supply chain and economic foundations upon which to continue our strategy.

At the time of report preparation, the COVID-19 pandemic in both Peru and Mongolia was characterized by reduced transmission compared to the prior year. This was likely due to a strong response to vaccination programs. Surges today in infection rates have lower peaks and duration than in early 2021, and mortality has decreased markedly.

At the outset of the pandemic, we regarded an immediate, strong response to the pandemic as essential to protecting Boroo’s workforce, the communities in which we operate and our productivity. We implemented measures to minimize the risk of infection within both the workplace and surrounding communities and 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.

As the situation improves around the world, there is a sense of cautious optimism. Despite these positive trends authorities are still vigilant, with Peru, for example, having extended its state of emergency in mid 2022. As a company we too have continued to be vigilant, understanding that the threat of unforeseen mutations to the COVID-19 virus remains with us.

While taking advantage of the improving situation, our guidance on COVID-19 was active and ongoing into 2022, as characterized by the following measures.

- We continued our routine surveillance and monitoring of workers, so that we can act as soon as symptoms are detected.
- We practiced cleaning and disinfection of equipment and surfaces, and mandatory hand hygiene.
- We continued to provide appropriate PPE for all employees and contractors to reduce likelihood of transmission.
- We provided 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.

- We continued to practice social distancing in the workplace, site facilities, and in transit.
- We have implemented a reduced presence in the workplace and site facilities, including use of alternative work arrangements such as remote working and more carefully-programmed management of facilities use.
- We continued our provision of medical services to personnel, including monitoring of ongoing health including mental health.
- The return or reincorporation into work for those who have had COVID-19 continued to be based on evaluation of risk factors to determine how an employee returns to work and how others are protected from residual risks of infection.

We continue to maintain our vigilance, and incrementally relax our controls when medical and government advice supports such a strategy. In the 2022 reporting period there were no incidents of business interruption or lost production due to the COVID-19 pandemic.

Our Safety Processes

Our first operational priority is that every person goes home healthy every day. This vision is part of our Occupational Health and Safety (OHS) Policy and it sits at the heart of all our safety processes and practices.

Committed leadership is undertaken by every person, but it begins with the Executive and the Board. These senior leadership ranks have oversight responsibilities across the effective application of our OHS Policy across all facets of work that we do as an organization. They are responsible for keeping informed of the health and safety risks that occur at our sites, for ensuring that the risk management practices implemented meet the highest aspirations of our OHS Policy, and for ensuring that resources are available to operational management to be able to effectively follow through on appropriate risk management.

All operations are aligned with safety processes that meet expectations of ISO 45001: 2018, Occupational Health and Safety Management Systems. Our operations in Mongolia, BGM and UB, are certified to ISO 45001 by external auditing bodies. Our operation in Peru, LNM, has a well-developed risk-based OHS program that meets national regulatory requirements and is audited regularly against those same requirements. It is also externally certified to ISO 45001.

We recognize that while ISO 45001: 2018 represents the acceptable standard of mining and other industrial health and safety management system, our discipline and rigor in managing occupational health and safety risks is key to performing well. In 2022 we began a systematic process of identifying and collating our critical occupational health and safety risks across the business. While some of this activity had begun in earlier years, occupational health and safety efforts were, since 2020, dominated by rapidly emerging COVID-19 control systems. This year, we were able to begin redirecting our efforts back to the key operational risks that must be well managed to meet our aspiration of Attaining Zero Harm.

We began a process at each site of identifying our critical risks with a view to more clearly defining the critical controls that we needed to have in place for each of those risks. Critical controls are those risk mitigation measures we take that have the highest effect on reducing the Occupational Health and Safety risks to our workforces. They are the controls that, if not comprehensively and securely implemented and rigorously applied, contribute to significant increases in these risks. At each site, efforts began on comprehensively compiling a critical risk register and a critical control register that would form the basis of our OHS management.

The identification of these risks and controls had led us to a site-by-site program of critical control management. This is an active management program that systematically ensures that every critical control is implemented and followed through. Our critical control management program is a multi-year development effort at each site. It informs us each year on the appropriate budgetary allowance we need to make in order to adequately resource the progressive development of the program.

We also began to evaluate our Occupational Health and Safety culture, recognizing that the period of COVID-19 and the elevated turnover of staff at our sites has the potential to dilute this culture, particularly in areas of operational safety. We began by evaluating our OHS training, identifying where our training programs could be enhanced to improve the foundations of our safety culture. We also began evaluating our behavioral safety on sites, attempting in this first phase of activity to understand attitudes and mindsets regarding OHS that we have at each of our operations. This understanding will help our senior management approach operational OHS from both a systematic and a behavioral perspective, which we believe will help us more authentically live our core value of Attaining Zero Harm and build a pathway for rapid and sustained improvement in OHS performance.

Risk Assessment Leads on Safety

Boroo Gold has adopted the 'zero harm' safety philosophy. Our corporate Occupational Health and Safety (OHS) policy drives health and safety competency and promotes the integration of health and safety perspectives into all aspects of our business. It also commits us to the provision of adequate resources to identify all potential hazards and maintain safe systems of work. The use of a risk-based approach at our Boroo mine site is an extension of this corporate philosophy.

At Boroo, our Safety departments and line management take a leadership role in reinforcing the risk mitigation processes using three perspectives.

The first perspective is about change. Any change to a process has the potential to introduce new or increased risks. Major changes to operational processes occupy the first level of our thinking. Such changes require comprehensive risk assessment to be conducted prior to implementation. For example the annual expansion of the tailings facility requires operations staff to complete a series of complex engineering tasks with a large, multidisciplinary team. Risk identification, ranking and planning of controls takes place in this multidisciplinary setting, which includes contractor personnel.

In 2022, two separate risk assessments were completed during this work. One was conducted during the initial planning process to address risks of the whole expansion project. It commenced with the engineering planning stage. The risk assessment considered impacts to vehicle movements on main haulage roads, the equipment to be used for modifying roads, ramp slope adjustments and intersections. This is because when we create changes to surface operations, vehicle and heavy machinery movements represent some of the most significant risks in the mining industry.

The second assessment addressed hazards of the tailings impoundment liner installation conducted by the contractors. This suite of risks addressed the geotechnical and environmental aspects that were subject to change.

In the second perspective we apply to risk assessment, we focus on job hazards, and planning for safe operation when undertaking those jobs. When mining operations change, new tasks are introduced and this in turn results in new and varied risks to people undertaking those jobs. Sometimes these jobs are unique and non-repetitive tasks, often associated with change management. This risk assessment process is driven by participation of the operators who will eventually perform the task, because this introduces a high level of practical risk thinking. This approach ensures that the operational team has significant input to the planning of the work steps, taking required actions and preparing necessary tools and resources for safe completion of the task.

The third perspective of risk assessment applies methods for individuals to identify hazards and risks while on the job. Employees use a 5-point safety system to assess their task environment and equipment in real time. They are empowered to review their procedures and related literature, and most importantly to take action on addressing risks. This is applied on an ongoing basis, at every shift and every day. These steps help our workforce recall and review what has to be done to ensure their safety is not jeopardized by existing and potential hazards.

We reinforce these perspectives by using language to connect individuals and teams in a workforce to a shared safe work environment. Slogans such as "Work Safe – Home Safe" help connect our people's working lives to lives with family and friends, encouraging everyone in our workforce to see investment in safe work behaviors as an investment in their life outside work with friends and family.

Hazard reporting booklets are widely used by employees and contractors to report identified hazards and corrective actions, which are then subject to follow up by site safety staff. These encourage all of our people to keep alert and speak up when they see something that may be a hazard or a risk, or when they think of ways to do work in a safer way. We run awards programs to recognize safety champions; those in our workforce who model the mindset and the disciplines required to keep themselves and those around them safe.

These risk mitigation approaches support an enhanced planning process focused on risks and opportunities, which will help us achieve safe production on both large projects as well as individual tasks.

Lagunas Norte Recognized for Safety



Health protection forms a core aspect of our employment agreements at Lagunas Norte. We have systems in place to control and reduce individual exposure. We also undertake regular personal health monitoring. These systems apply to all employees and contractors at operational and remote work sites, and to all visitors. In addition to these systems, all personnel are encouraged proactively to manage their own health and safety risks through education, instruction, information, and supervision.

Guidance on site safety matters from Boroo senior leadership is driven by our corporate Occupational Health and Safety Policy. It applies the concept of 'zero harm' and commits the company to a risk-based approach to the identification and mitigation of safety issues. At a minimum, it commits us to compliance with all relevant statutory obligations. In addition, it commits us to provide adequate resources to establish and maintain safe systems of work. This is done to maintain our workforce health and safety competency, and to integrate health and safety requirements in all aspects of business. Finally, it ensures that all incidents are reported and thoroughly investigated with a view to preventing similar incidents recurring.

Leadership recognized the performance of our staff at the Lagunas Norte site in these aspects. The site was encouraged to share their efforts more broadly by participating in a national contest sponsored by the authorities in Peru.

Our Lagunas Norte site in Peru offers an outstanding example of Boroo's approach. Health and safety management at Lagunas Norte entails a systematic approach towards the identification, evaluation, control and monitoring of hazards and exposures within the workplace. These are evaluated and monitored with a frequency established either by national regulatory provisions or through a site-based evaluation process that determines risk.

In addition to operational risks, the employee health care program at Lagunas Norte addresses fatigue, ergonomic matters, healthy lifestyle, occupational health, substance abuse, hearing and respiratory health, disease prevention and mental health. Medical centers are located at this mine site which are accredited by the national health authorities, equipped with ambulances, and staffed by medical personnel.

Regulatory oversight of mine safety in Peru falls under the authority of the safety and economic regulator for energy and mining infrastructure in Peru (OSINERGMIN). This entity organizes a commission with participation by the National Mining Society of Peru, the College of Engineers of Peru, the Ministry of Energy and Mines, the Institute of Mining Engineers of Peru and the Mining Safety Institute (ISEM); to conduct an annual competitive process that determines the country's top safety performers in the three areas of underground, open pit and smelters/refineries. We entered this competition in the area of open pit mining.

An invitation to participate in the contest is an indication that the mine has a reputation for good performance. In order to qualify, there must be no fatal accidents during the year of evaluation and up to the meeting date of the evaluation committee. Safety incidence rates per million person-hours worked must also be below a safe performance threshold.

The evaluation committee reviewed audit reports previously submitted by OSINERGMIN as part of its competitive evaluation process. Our open pit operations were one of five winners of this award, an outcome that reflects the commitment and hard work of this team.

Emergency Planning with Local Authorities

Commercial mining operations are usually undertaken at significant scale. As a result, some potential incidents and accidents can also cause large scale consequences. Our risk assessment process works diligently to identify these potential incidents and accidents. We reduce the likelihood of these occurring through the use of controls, but we recognize that wherever there is a major hazard, there is some small residual potential for the incident or accident to occur. Our last line of defence is emergency response planning and readiness.

When we undertake emergency response planning, resources and actions are identified and prepared ahead of the actual need. Even though we may never need the emergency response, we ensure that we have primed the response and are ready to put it into action.

Emergency responses often involve the co-ordinated response of several agencies such as fire, rescue, medical, logistics and others. They also involve stakeholder groups such as employees, contractors, communities and NGOs.

National regulations and good mining practices call for broad stakeholder participation in the preparation of emergency response plans, especially in areas where local populations could be affected. Stakeholders who have an interest in the effectiveness of emergency plans include civil emergency response departments, other local government entities and community members. Through participation these stakeholders can make vital contributions to the success of emergency responses.

Boroo Gold corporate policies are directed at compliance with applicable regulations as part of our efforts to manage and reduce areas of significant risk. We also greatly value building and maintaining relationships with key partners in our areas of influence, and we liaise closely with governments and other public stakeholders as a matter of routine. The participatory emergency response planning undertaken by our Ulaanbulag site is an example of these corporate priorities in action.

Appropriate branches of the National Emergency Management Agency (NEMA) participated in our annual renewal and approval process for Emergency Response and the Disaster Management Planning. Selenge province, the main province where Ulaanbulag and Boroo mines are located, held several major events to improve coordination between local authorities and businesses and to utilize all available resources in the event of emergencies.

The Ulaanbulag mine Emergency Response Plan (ERP) was reviewed through desk top sessions in the fourth quarter of the 2021, with participation of local specialists of the National Emergency Management Agency (NEMA). In the first quarter of 2022 these plans were adjusted to improve coordination strategies with local authorities and local civic group representatives around scenarios such as earthquakes, industrial accidents such as fuel farm fires, incidents with the storage of explosives and chemical spills.

In early 2022 NEMA Specialists from Mandal and Bayangol districts were introduced to our site facilities and emergency response team, emergency response capabilities and training facilities. These specialists conducted a thorough evaluation of our capacities for mine rescue, emergency management and tactical response. Following this evaluation we were invited to take part in national level drill exercises planned for this year in Selenge province.

A total of four delegations consisting of high ranking NEMA officials paid official visits to our sites in preparation for the exercises. The delegations conducted training for our management team covering national policies and emergency management strategies. These policies and strategies focus on how enterprises should take part in preventative and collective response measures.

Accompanied by these officials for this exercise, the company management team was divided into four response units:

- The site emergency, physicians, and security unit, which initiates the response effort;
- The site technical and machinery unit which provides any required equipment;
- The site communications and external relations unit, which is designated to coordinate all external and internal communication and to ensure that materials are placed or maintained; and
- An administrative and procurement unit, which arranges evacuation and supply functions.

Three private companies were chosen to take part in the national drill exercise. Each was given selective scenarios for response. Ulaanbulag mine was given scenario of an earthquake-induced collapse of a pit wall with entrapment of people and equipment. The scheduled physical drill exercise was not held in June due to COVID-19 concerns. However, a surprise desktop exercise was organized by Selenge province government office and NEMA. In this exercise, we received the highest scores and recognition for our active participation.

The exercise helped us to gain a deeper understanding of the roles and responsibilities required to effectively manage a real crisis. We learned more about averting mass panic and minimizing devastating outcomes. The involvement of the entire site management team has led to a strengthening of its response tactics by clearer definition of roles and responsibilities. Local officials also gained a better understanding of open pit operations. At the end of the exercise, local officials expressed their interest in further cooperation on the theme of co-ordinated emergency management.

Our Safety Results

Our safety performance this year has posed many challenges to our workforce and management. In addition to operational works, we had projects being implemented at our sites, including at Lagunas Norte. At this site, the number of person-hours worked almost doubled between July 2021 and June 2022. Similarly, at Boroo Gold Mine the number of person-hours worked increased by over fifty percent between July 2021 and June 2022.

There were no fatalities during the year at any of our sites. Our Lost Time Injury Frequency Rate (LTIFR) also dropped, both sharply and consistently, through the year. This was a credit to our workforce and management, which worked tirelessly together to reduce the severity of damaging incidents; a trend that was sustained throughout the twelve months.

However, our total recordable injury frequency rate (TRIFR) for the year did not decrease by a significant amount, despite the large amount of training and safety initiatives undertaken. While a modest decrease overall was observed for the group as a whole, our rapid increase in the contractor workforce at Lagunas Norte coincided with an increase in that site's TRIFR.

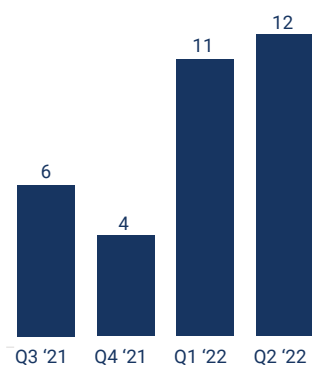
Across the group, the number of first aid incidents also grew overall, prompting us to reflect more on the less damaging incidents that continue to cause harm at our sites. It is a continuing reminder that our safety journey is never complete, and that our safety management results in containing the more significant incidents needs to cascade through to all lesser risks across our sites.

Our Lagunas Norte site implemented a large number of risk management initiatives during the year, including increased Safety Inspections, our Zero Damage Initiative and a "Leadership with Passion" workshop that energized visible felt leadership from our senior management through our workforce.

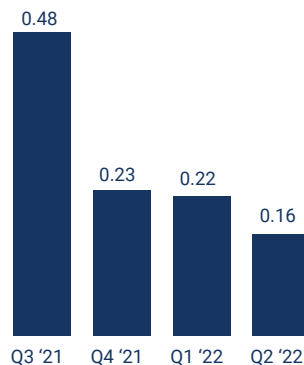
At the Boroo and Ulaanbulag sites we qualified for the surveillance audit of our integrated management systems, which included the ISO 45001 standard on safety. Our Job Hazard Analysis process, which prompts us to pause and consider potential risks before undertaking activities, was reinforced during the year. Here, we also participated in National Disaster Agency of Mongolia training as part of the regional emergency preparedness, with full scale training in land and pit wall collapse scenarios.

Across the company, our vigilance on safety and health remains high. It is a key agenda in senior management meetings, and our safety culture is continuously driven through our management structure, via our line management and supervisor roles, and throughout our workforce. We continue to extend our efforts beyond our employees and into our contractor workforce, seeking to communicate with, align and provide training to all our contractors in a way that reflects and reinforces Boroo's focus on safety.

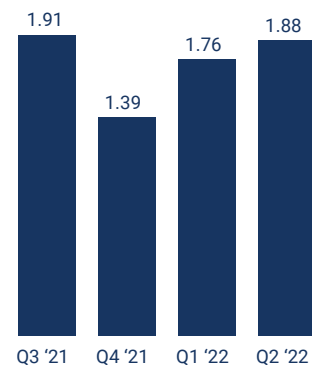
Quarterly first aid injuries



Cumulative quarterly LTIFR per 200,000 person-hours



Cumulative quarterly TRIFR per 200,000 person-hours



Health and Wellbeing of Our Workforce

Our workforce is our greatest asset. Boroo is committed to looking after our workforce, and to ensuring that their wellbeing is protected and enhanced at all times. For the mining industry, safety is and has always been a key part of our strategy in protecting our people's wellbeing, and is discussed in our safety sections. Safety is a paramount issue because of the nature of mining; it is a heavy industry with considerable hazards.

The wellbeing of our workforce goes beyond safety alone. Workforce health is critical to our strategy. Our mining operations present the risk of workforce exposure to a generic range of occupational hazards to health, including fatigue and mental health, as well as workplace exposure risks such as dust, chemicals, noise, and vibration.

In the current reporting period, Boroo continued implementation of programs to monitor, maintain and improve the health of our people at our operations. Our risk assessment processes are designed to identify and evaluate occupational hazards. 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 preventative medical checkups for new hires, following the Law of Mongolia on Occupational Health and Safety (OH&S). A program for routine medical checkups for all employees is planned and budgeted each year, including maintenance of an onsite health care facility with medical personnel. We extended in 2014 our preventative medical checkups, from new hires alone to all employees regularly. This means we build up our understanding of the baseline health metrics of our employees. The BGM site has an accredited medical center staffed by professional medical personnel to maintain vigilance over employee health issues.

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.

During the reporting year, there were no occupational health incidents requiring regulatory notification to public authorities. Our monitoring of health information identified no trends of concern in areas such as respiratory health, toxins in the blood, eyesight or hearing.

During the period of COVID-19, organizations all over the world experienced an increase in mental stress among their workforce. While not attributed to occupational hazards, it brought into sharper focus for the mining industry as a whole the fact that the wellbeing of our workforce is influenced by not just the physical hazards affecting physical safety and physical health, but also mental health and psychological safety in the workforce. Mental health and psychological safety may be affected in compounding ways by occupational concerns (such as fatigue) as well as external factors (such as the community stresses of the pandemic, domestic and family stresses, economic stresses and others).

At Boroo, we have not yet commenced systematic programs that address mental stresses. Our work practices are aimed at ensuring our workforce has access to a healthy work-life balance. Our workplace culture, underpinned by our values, strives to make Boroo a fair and rewarding place in which to work. In the coming years we intend to extend our efforts beyond physical safety and physical health, to more holistic programs that protect the welfare of our people.

Our Communities



Engaging with Our Local Communities

Boroo continues its commitment to effectively manage stakeholder risk by working closely with the communities near our operations. We recognize that our operations have impacts. We seek to minimize the negative effects while maximizing the potential benefits that 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.

Our mine sites are characterized by remote settings and sparse populations in the immediate vicinity of active operations. At the Mongolian sites there are no settlements within the fenced concession area, and the nearest communities are located 20-35 km from active mining operations. Community land use within the concession consists of transient herding in the summer months. Lagunas Norte is also in a sparsely populated area, with fourteen communities currently identified within the impact area as determined through the ESIA process. The closest community is approximately 500 metres from the perimeter fence, though most are located at greater than two kilometres in distance. For all of our sites, the potential residual negative impacts on public health, including consideration of aspects such as water and air quality, vary 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.

Understanding and effectively managing risks in these settings begins with effective stakeholder engagement. Community relations strategies at each of our sites are based on Stakeholder Engagement Plans (SEPs) that originated with foundational ESIA studies.

Grievances

A key part of our monitoring of stakeholder concerns is our grievance mechanism. We use the grievance mechanism to provide our communities with an accessible, responsive and effective means of airing their concerns. We strive to ensure that our communities see our grievance mechanism as an authentic way to air and resolve concerns. We are focused on the timely investigation, rectification and closure of all grievances.

In the current reporting period across the group, a total of 78 grievances were filed and processed.

This amounts to a grievance rate of just over nineteen grievances per quarter on average in the current reporting year, slightly up from the previous reporting year's quarterly rate of 18.

A number of trends in the grievances observed have helped us identify and focus on the key issues of concern. In the previous reporting period, a large proportion of our grievances were related to the timing of contractor payments. We worked on these issues during the year and in the current reporting cycle there were no grievances related to contractor payments.

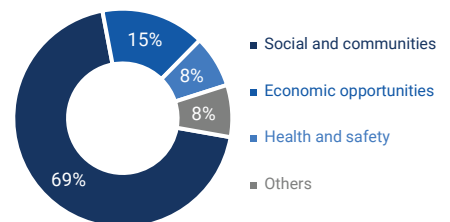
We identified a significant increase in social and community issues. We believe this increase was driven by two aspects; one being the increased effectiveness of our grievance mechanisms and the second being elevated sensitivity in the Lagunas Norte communities to community development issues.

At the Boroo and Ulaanbulag sites, we also received several grievances related to health and safety matters for the community. These related to increased heavy traffic volumes between sites during the operational year.

Grievance rate across all sites
(quarterly averages in 2021 and 2022)



Grievance by topics across all sites



At the Boroo and Ulaanbulag sites, we established a grievance management system in 2018, and these procedures are included in the SEP. In the current reporting period a total of 11 grievances were received related to the Boroo and Ulaanbulag operations.

The Lagunas Norte grievance mechanism has been in place for many years, pre-dating Boroo’s involvement in the operation, and local communities are very familiar with it. In the current reporting period a total of 67 grievances were received, the majority falling in the ‘social and communities’ category.

We monitor the grievances relative to the population distribution within our area of influence. At the Boroo and Ulaanbulag sites, the aggregate population over the three adjacent districts is around 39,000. At the Lagunas Norte site there are fourteen rural communities in the area of direct influence (as defined by legislation), comprising a population of around 15,000 people.

Correspondingly, the number of grievances per ten thousand people in these areas of influence is different between our Boroo/ Ulaanbulag sites and our Lagunas Norte site.

There are several reasons for this. The communities around the Lagunas Norte site are, overall, more concentrated to and closer to the site, with the nearest community being 500 metres away from the site boundary. In addition, the communities around Lagunas Norte have been in proximity to an operating mine since 2006. They have had long-term access to grievance mechanisms and are familiar with the process of commencing grievance processes.

At Boroo we view grievance mechanisms as a productive way of engaging early with communities in order to hear, respond to and alleviate their concerns. We see the frequent use of the grievance mechanism as a positive indicator that communities are aware of such mechanisms, and feel empowered to engage with us on issues of concern in a collaborative way. It is the type of issues raised, the speed with which we respond and the time taken to resolve these that are of greatest interest to us in terms of our performance.

Next year, we intend to institute a grievance tracking process that allows us to monitor our response and resolution times, and begin reporting on these.

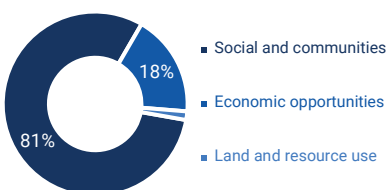
Community Engagement

At the Boroo and Ulaanbulag sites a cooperation agreement has been executed with local authorities, and we implement the community engagement plan according to this agreement. All aspects of community relations are encompassed under a single SEP, which drives a schedule of routine meetings with local communities, authorities, and civil society groups.

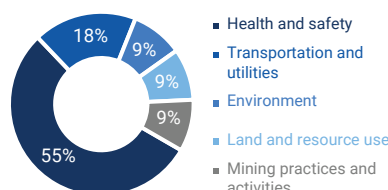
Lagunas Norte has a stakeholder mapping process, which is updated annually. It informs the SEP-driven engagement programs with the community and with our broader stakeholder groups. The community relations group at Lagunas Norte also maintain a risk register. It identifies and quantifies key social risks, along with how we endeavour to control these risks. Key risks at Lagunas Norte are largely linked to stakeholder expectations around community investments, as well as opportunities for employment and service contracts.

Lagunas Norte also supports an external relations group that reaches a broad set of stakeholders. The external relations group undertakes dialogs with stakeholders. It also demonstrates how key sustainability programs are maintained during and beyond the ownership transition period.

Lagunas Norte grievance by topics



Boroo and Ulaanbulag grievance by topics



Grievance rate per 10,000 persons

(area of influence)



Promoting Transparency and Good Governance

Mines are large capital projects that can produce significant revenue streams. The sector accordingly has been long recognized for its potential to have large scale positive and negative economic impacts, especially in emerging economies. Over the past two decades institutions such as the Extractive Industries Transparency Initiative (EITI) have emerged, offering a good practice framework based on transparency and accountability in fiscal management of mineral revenues. These principles have been adopted and shaped private and public sector policy worldwide. Peru was an early member of EITI. Given that mineral revenues have been a trigger for social unrest in recent years, the topic of transparency and good governance is sharply relevant to the mining sector.

Four of six Boroo corporate level policies address issues of direct relevance to good governance and transparency. These include its Codes for Business Conduct and Ethics, Anti-Money Laundering and Prevention of Financing of Terrorism Policy, Anti-Bribery and Anti-Corruption. Undertaking transparency initiatives at the national level for our mine sites is therefore in full alignment with our corporate values.

In the last decade, extractive activities have represented one of the main drivers of Peru's development, with the mining and hydrocarbon sector accounting for approximately ten percent of the country's Gross Domestic Product. The economic exploitation of natural resources has generated significant income for the Peruvian State, especially for sub-national governments such as regional, provincial and district authorities that are recipients of the income obtained through transfers of taxes and royalties.

Peruvian regulations reflect a national public investment strategy under which the income from extractive activities boosts development in the interior of the country. However, the disbursement and execution of projects by subnational governments presents opportunities for improvement.

According to the Ministry of Economy and Finance, between 2008 and 2021, more than S/ 89.2 billion, equivalent to approximately USD 23.1 billion, have been allocated to the public finances of subnational governments for these concepts, with the purpose of improving the population living conditions, through the financing of public investment projects with local and regional impact, as well as the maintenance of basic infrastructure in education, health, education, transportation, and social services, among others.

The La Libertad region, where the Lagunas Norte mining unit is located, ranks third in the country with the highest income from mining activity's canon and royalties, having received more than S/5.2 billion, equivalent to USD 1.4 billion, between 2018 and 2021, of which on average it has executed only 68% of the total income received in the same period.

In this context, Boroo is part of the group, together with other mining companies and business associations such as the La Libertad Chamber of Commerce, and the Mining, Petroleum and Energy Society, has been promoting the creation of an Extractive Industries Transparency Initiative (EITI) commission at La Libertad Region level. This promotion uses as positive precedents the implementation of the initiative at the country level in Peru and other countries that promote responsible mining practices.

The objective is to replicate EITI's mission of promoting knowledge on natural resource management, strengthening governance and accountability in the public and corporate spheres, and in providing data to support policy making and multi-stakeholder dialogue in the extractive sector in the sub-national governments of La Libertad Region.

In alliance with two other mining companies that have operations in provinces near the Lagunas Norte mine, we requested the Chamber of Commerce of La Libertad to propose to the Regional Government the creation of an EITI commission for La Libertad. This initiated the first formal communication for this purpose in January 2022. The Regional Governor responded positively by sending a communication in March 2022, addressed to the Ministry of Mines, which is the Technical Secretariat of the Multisectoral Commission of EITI Peru, in which he expressed his interest in joining the EITI Peru initiative at La Libertad region level.

This communication was also answered with an equally positive message from the Ministry of Mines in March 2022, offering the necessary support for the constitution of the corresponding regional commission. It also designated a liaison officer and highlighted that the effort would generate improved transparency in the extractive sector. This practice would align with the standards of modern mining in the framework of sustainable development.

Since then, meetings have been held to explain and raise awareness both with the Regional Council of La Libertad, as well as with three mining promoter companies, including Minera Boroo Misquichilca, part of the Boroo Group and operator of the Lagunas Norte mine. A draft regional ordinance is being prepared to formalize and regulate the constitution, operation and participants in the EITI Commission for La Libertad. Based on the progress made and the next steps, it is expected that the commission will begin its functions in the first quarter of 2023, contributing to the transparency of information on the economic contributions of mining in La Libertad through the taxes and royalties. This transparency will further promote an understanding of the benefits of formal mining, while contributing to the oversight needed to improve the efficacy of public use of revenue from the mining sector, as well as the promotion of civic participation by stakeholders in Boroo's operations in Peru.

Community Concerns Resolved at Lagunas Norte

Direct engagement with local communities has developed as a hallmark of responsible mining operations in actively participating in and supporting community aspirations. The public and transparent approach to grievance management undertaken by our operations at Lagunas Norte is in full alignment with these progressive approaches and our own corporate policy approaches in ensuring that such interactions empower communities and provide accountability to mining companies. Community relations staff at the Lagunas Norte mining operation are in frequent, close communication with the fourteen communities within our area of influence. This open line of communication fosters easy-to-access grievance processes, which Boroo fully supports.

In 2021 individuals from each of the two communities of 'El Saucó' and 'Corral Grande' formed a 'Commission for the Defense of the Interests of the People'. The Commission called for ending existing community development agreements and establishing new versions. The existing community development agreements originated in 2018 with commitments to undertake feasibility studies for the construction of new agricultural facilities in the villages. It was argued that Lagunas Norte had breached social commitments to local communities, and that additional commitments should be included. It was further agreed that funding grants should be provided. The individuals within the Commission distributed letters to Lagunas Norte demanding additional commitments.

Lagunas Norte's community relations team, respecting the position of the duly elected authorities and in full transparency, requested resolution with each of the individuals. Meetings were organized with the elected representatives of each community to establish an open 'dialogue table'. Dialogue tables are a formal and widely accepted process in Peru for reviewing and resolving social and environmental issues associated with mining operations. Through the use of these dialogue tables a broad consensus emerged among residents that was more supportive of the existing program than the proposed new one.

Despite this consensus, these individuals in the Commission reached out to the local representative from the National Congress. New meetings were requested by the individuals within the Commission, requiring this higher level of participation. It was strongly proposed by the individuals within the Commission that Lagunas Norte assume new social agreements. This escalation of proceedings included the addition of new allegations of environmental degradation.

The staff of Lagunas Norte participated in this second meeting, presenting evidence that environmental degradation was not evident in the monitoring data, and that social investment commitments were being respected. The representative from National Congress agreed that the claims from the individuals in the Commission were unsubstantiated. The individuals eventually withdrew their demands, and the proposed projects for these villages was carried out in February of 2022.

The episode, in which Lagunas Norte's commitment and integrity were challenged by others, highlighted that our approach to grievance resolution is robust and transparent, and reinforced the value of some of our social strategies. These included:

- Supporting legitimacy by openly involving the community, key stakeholders, and its authorized leaders in proposals and decisions;
- Developing trust through transparent communications with stakeholders;
- Focusing on outcomes and executing projects to deliver these outcomes rather than providing grants which could be misused; and
- Continuous monitoring of social commitments allowed dialogue that neutralized potentially unjustified claims.

The resolution of the raised concerns reinforced for Lagunas Norte that our continuous liaison with the communities that host us is essential to maintaining our trust and social licence to operate. It increased our resolve to continue improving our systems, processes, practices and relationships, and seek ways to work collaboratively within our communities.

Collaboration with Local Authorities in Response to Covid



The COVID-19 pandemic has presented serious challenges to the mining sector in terms of operational continuity, occupational health and safety and social responsibility. National health authorities imposed mandatory standards on workforces around preventative measures such as travel restrictions, quarantines, personal protective equipment, social distancing, and reporting. These compliance obligations are often subject to further augmentation by mining companies based on their own assessments of risk around production, employee morale and responsibilities towards local communities. In aggregate, significant agility and focus have been required of mining companies to successfully maintain their operations through the COVID-19 pandemic years.

Risks imposed on Boroo Gold during the COVID-19 pandemic period impinge on multiple areas of management concern for our operations. Employee Health and Safety, Community Relations, and Compliance are corporate policy elements material to operational continuity at our sites in Mongolia and Peru. Pandemic responses at these sites are responsive to these policies, accompanied by augmented management guidance for transitioning the COVID-19 pandemic period.

An immediate, strong response to the global COVID-19 pandemic was considered essential to protecting workforce at the Boroo mine site in Mongolia, the communities in which we operate and in safeguarding our productivity. Success in this effort required collaboration with local authorities on the pandemic, one of their key public health issues. Collaboration occurred between the Provincial and District Emergency Commissions and relevant departments of Boroo to address these concerns.

Boroo Gold has good long-term relationships with the two districts of Selenge province authorities dating back to the company's establishment at the site. Cooperation agreements were executed with the districts in 2018 and 2019 covering a 5-year period, and aimed at providing public health services. It also deepening co-operation between the company and local governors as a pathway for contributing to socio-economic development.

Through these relationships, the company built on prior actions that included donations of fuel and gas, necessities, biosafety kits and direct contributions to local COVID-19 prevention and control committees. Recently our COVID-19 emergency response focused on donations to the public health entity of the three districts to help local communities. In implementing this donation, the governor of the Bayangol district implemented three projects including the maintenance of an emergency vehicle for the health center, and two well improvements for potable water delivery and the protection of groundwater. The emergency vehicle was important in the Bayangol district's campaign around the disinfection of public areas during the pandemic. The well maintenance programs were aimed at the rehabilitation of water supply infrastructure in two subdistrict settlements that were long neglected. Convenient access to potable water was regarded by the district health entity as a critical need for their communities during the pandemic. Under this program the Gonir subdistrict received a rehabilitated potable water well in the center of the settlement, and Bayan subdistrict settlement received the first service to its well since its construction in 1964.

Boroo maintains close relations with local public health entities, and will continue to find additional opportunities to provide support.

Our Community Development

The Boroo business strategy is based on acquisition of properties where mining has already become established, and which retain significant reserves and value that can be realized. An outcome of this strategy has been the inheritance of legacy community programs established by responsible mining companies, including those for community relations and development.

Under our stewardship, these programs have been continued and enhanced, while also addressing the challenges of the global COVID-19 pandemic. Our presence in these communities helps stimulate the local economy, presents opportunities for local employment and in some cases can improve infrastructure. These potential positive impacts of our operations are further enhanced through community development programs at each of our sites.

At our operations in Mongolia, several communities within our area of influence have an aggregate population on the order of 40,000 inhabitants, concentrated in 3 districts. These communities were prioritized for investment as Boroo progressed the operations from their care-and-maintenance status in 2018 to the present.

The primary instruments for community investment at Boroo and Ulaanbulag operations are community cooperation agreements, which are developed collaboratively and supported with an annual budget. In the current reporting period approximately USD\$345,000 was invested in the 3 districts in Mongolia.

Agriculture is the key investment theme, focused on capacity-building and training for both the herder and farmer groups. Additional themes included potable water, education, and health.

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 property at Lagunas Norte is exposed to these risks. We manage these relations 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. In the current reporting year approximately USD\$2.2 million was invested in projects, which addressed 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 USD\$200 million, with average annual contributions during the care and maintenance phase of approximately USD\$3 million.

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 the Boroo and Ulaanbulag operations, service contracts that are preferentially let to local providers include transportation and lodging. The local government organizes meetings to train local businesses on opportunities presented by the business. We also host tours of the site warehouse to identify goods that could be locally produced.

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. At the close of the current reporting period there were 235 local contractors engaged by the Lagunas Norte operation, who had benefitted from approximately USD\$3.2 million in contract services.

Ulaanbulag Cooperation Committee Implements Projects



Boroo established a cooperation agreement (CA) with Bornuur district, Tuv province in 2021 to implement annual projects and programs over a three-year period. Within the framework of this agreement, the company is committed to invest 715.9 million Mongolian Tugriks (MNT) to Bornuur district through a cooperative agreement that includes an additional commitment to build a sports hall for the district's secondary school.

The vehicle for these investments is a Cooperation Committee (CC) consisting of 9 members established after the CA was executed. The CC role is to select, implement, and supervise projects and programs that support the following basic needs:

- Infrastructure development (road maintenance, road signs and markings, speed bumps and surveillance camera system);
- Development of basic social services (health, education, vocational training and employment); and
- Development of local small and medium enterprises (SMEs).

Five of the CC members represent the local community and four represent the company. The CC of Bornuur district also established a management subcommittee to facilitate stakeholders' assurance that projects will be implemented effectively, to receive stakeholder feedback and to share lessons learned. Since its establishment, the subcommittee has visited some of the projects to evaluate outcomes.

The CC was convened four times in 2021 and reviewed eight proposed projects, of which seven were approved for implementation. Through August of 2022 an additional two meetings were held, in which nine additional projects were approved.

Some of the projects that have been implemented are summarized below.

A small initial project was to build a well house in Uguumur subdistrict, Bornuur district. This was the first such cooperation agreement with a mining company for this district. Though this small project, the agreement afforded an opportunity for the newly-appointed CC members to build relationships and learn critical skills, including how to draft and develop projects within the framework of Mongolian law, and how to evaluate results.

The company also invested MNT 54 million for the purchase of two trucks for solid and liquid waste collection in Bornuur district, which has a population of 1,560 households. These households had been dependent on either hiring expensive outside services or simply doing without waste collection.

A project was developed for the Bornuur district's Cultural Center to maintain and improve the condition and update musical instruments by investing MNT 10 million. The project also included installation of eight security cameras, acquisition of new musical instrument microphones, and maintenance for the public library located in the center.

Another project led to improved street lighting in the district center to improve safety for local residents.

A MNT 600 million project for the construction of a sports hall next to the secondary school is now being implemented that is an outcome of a newly negotiated arrangement with the district.

An outdoor playground equipment was installed in the Nart subdistrict, Bornuur district, funded by a local government development fund in 2021. The fund was insufficient to fence the outdoor playground, leaving equipment vulnerable to damage from livestock. The governor and citizens of the subdistrict requested funding of a fence within the cooperation agreement, which was provided by Boroo.

Boroo Mine Funds Community Development through Cooperation Committees



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 these populations. 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 our business in terms of social license and good stakeholder relations. Continued communication with and investment in communities neighboring our Boroo mine is aligned with this commitment, as well as with external benchmarks that we use to evaluate sustainability performance.

Since 2018 and the period of Boroo ownership, and pursuant to national regulatory requirements, the company and districts have executed co-operation agreements to ensure that a number of expectations are met.

A key expectation is that the relationships that we develop between Boroo and the communities in which we operate should fall within the regulatory requirements of applicable law. This provides all parties with clear boundaries within which to progress sustainable and trusting relationships.

Another significant expectation is that the purpose of our agreements is to foster cooperation between the mining and local populations through the promotion of socio-economic development of local communities. We recognize that this expectation delivers to Boroo the added benefit of consolidating our social license to operate.

Lastly it is expected that all Parties shall act in the spirit of the rule of law, equality, justice, mutual respect, transparency, and voluntary performance of duties. This allows our co-operation agreements to be founded on clear values and behaviors that support our mutual goals and aspirations.

According to these implementing agreements, the Company invests in district with the goal of community development. Cooperation Committees were established in three districts, with responsibility for the selection and supervision of funded projects and programs. These projects and programs are focused on supporting the development of infrastructure, basic social services, and local small and medium enterprises.

Each committee consists of nine members, five of whom represent the local community and four who represent the company. Local community representatives in each Committee are appointed and discharged by the Governor.

We concluded co-operation agreements with Mandal district of Selenge province in 2018, with Bayangol district of Selenge province in 2019, and with Bornuur district of Tuv province in 2021. The co-operation agreements are effective for three to five years, and projects and programs worth MNT 210 million are being implemented each year to contribute to local sustainable development.

Each district has its own committee appointed from the local community. The district representatives of the committees collect project proposals from the local population and, under the guidance of the committee chair, vote on these projects, with those receiving 51% or a greater percentage of support being approved.

During 2021, the committee of Bayangol district held meetings twice and invested MNT 213 million in 2021.

Waste Streams Support Child Burn Recovery



The leadership of Boroo endorsed an initiative to engage an organization committed to local healthcare in facilitating this reduced environmental footprint. It was identified that two valuable contributions to society – one environmental and one in local healthcare – could be made by establishing this connection. The initiative became a part of the site's 2021 sustainability objectives and goals.

Our Environmental Management System (EMS) quantified the recyclable electric and electronic wastes from the Lagunas Norte site to be in the order of several tonnes. This was recognized as a sizeable waste stream, with potentially a sizeable commercial recycling and circular economy value. At the same time, the site's stakeholder engagement team identified a local healthcare non-profit organization with links to recycling ventures. This non-profit organization, the Association to Support Child Burn Victims (whose Spanish acronym is ANIQUEM) had an established campaign called RAEEcycle (RAEE is the Spanish acronym for this class of recyclable wastes). ANIQUEM's activities across Peru include Burn accident prevention, post-accident rehabilitation, fire retardant garment manufacture, post-accident social reintegration and surgical campaigns.

According to ANIQUEM data, each year around 15,000 children suffer from burns and related injuries in Peru. Many of them have insufficient means to receive proper treatment and rehabilitation. Their historic data from 2020 further indicates that the collection of every 45 MT of RAEE provided support to upwards of ten burn patients for their rehabilitation over a period of one year.

Lagunas Norte established and executed a campaign to collect electric and electronic equipment waste, appropriately segregated, and redirected to the ANIQUEM campaign. Collected waste allows ANIQUEM to fund its social extension programs, focused on child burn victims, contributing to their rehabilitation and their parallel program that focuses on accident prevention.

Lagunas Norte organized the signature of an agreement with ANIQUEM on Oct 29, 2021, under which inter-institutional collaboration led to improvements in the sorting and collection of electric and electronic equipment waste within the Lagunas Norte operation, further improving the site's environmental and social impact. Upon signature of the agreement collection of this waste stream began at site. The total collection was 7.4 tonnes including old computers, motherboards, chips, and conductor material from disused equipment. Site staff further determined that other types of recycled waste, available at site were appropriate for donation to the same cause, such that 3.6 tonnes of paper and 190 kilograms of cardboard were also collected and donated to ANIQUEM.

Donations were first realized in April 2022, in coordination with a professional waste management company delivering material to the ANIQUEM warehouse.

Through our program, Lagunas Norte has improved sustainability outcomes within its operations, through responsible waste management in alignment with current environmental regulation, while also providing support to an important national health care initiative of benefit to the local population. It is an example of how two key aspects of sustainability – in this case waste management and healthcare – can be combined to deliver value to society.

Environment



Environmental Management

The construction and operation of mines has the potential to create impacts on landscapes, natural and living resources. Each country has regulatory frameworks to address these impacts, and we are firmly committed to meeting them at national and local levels. There were no regulatory environmental non-compliance incidents recorded at any of our sites for the current reporting period.

Our Environmental Policy aims for an even higher standard of environmental stewardship than country laws. It commits us to apply proven management practices to prevent pollution and to mitigate impacts. It also commits us to engage transparently with internal and external stakeholders about the risks our operations present, and our performance in managing them. All our sites maintain externally and independently certified systems conforming to ISO14001:2015 – Environmental Management Systems (EMS).

The site-based EMS scopes are comprehensive, addressing impacts to ground and surface water, soils, air, biological and socio-economic resources. Our operations maintain a register of significant environmental risks. Risk management processes include risk identification, risk quantification and active risk controls that are monitored and reported. Risk registers are updated when new activities or processes are introduced to an operation via a management of change procedure. At a minimum, the registers are updated through an annual review process. In the current reporting period, the company approved a corporate risk management procedure and risk registration procedure, to be rolled out first at the Boroo site.

Cyanide Management

Gold recovery at our sites entails the use of cyanide. All 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 training and equipment to ensure any incident is safely addressed. All cyanide is purchased from companies that are also certified under the ICMC.

Biodiversity and Protected Areas

Biodiversity management is a key part of our mine development, operations, and closure processes. Our mine development relies on Environmental and Social Impact Assessment (ESIA) studies to identify any biodiversity values of note. The design and construction of our mines and associated infrastructure avoids, minimizes, 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 license perimeter of Boroo's operations in Mongolia did not identify any significant impacts to biodiversity or species of special management concern. All species encountered were classified as 'least concern' under IUCN guidelines. There were no habitats of importance to listed species or formal protected areas in the vicinity of the mine; however we continue to work under a co-operative agreement with the National Federation Pastureland Users Group (NFPUG) to implement biodiversity offset measures relating to pastureland management. The Lagunas Norte project ESIA studies also 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.

Risk and Strategy Unlock Operational Effectiveness

Ulaanbulag and Boroo's enhanced connection

A new haulage route running between the Ulaanbulag and Boroo sites, crossing the Boroo River and the main road to the town of Zuunkharaa, and running along a route used by local herders, was proposed. The potential safety considerations and other environmental concerns necessitated a comprehensive risk assessment. The process was highly inclusive, engaging collaboration between a number of Boroo departments to undertake the risk assessment and subsequent proposed risk management. The Open Pit Mining, Compliance, Security, Environment, Community Relations and OHS departments were involved. Additionally, a vertical cross section of staff, from haul truck operators to the Deputy Director of Operations, participated.

Truck movements pose safety risks if speeds and driver behaviours are not managed. A further potential risk is the presence of five overhead power lines, particularly as their height above the haul road varies. The haul road is also predicted to generate significant levels of dust due to its use by thirty tonne and forty tonne haul trucks.

A standard operating procedure has been developed and haulage contractors are made aware of and required to follow this procedure. Several control measures have been implemented. Road signage has been installed along the whole route. Water trucks have been provided each with a capacity of 25 tonnes working around the clock to spray the surface to reduce dust pollution and improve visibility. Dust impacts are of particular concern to the herder community. The haul trucks have been fitted with GPS systems to track speed and location, as well as powerful LED lighting to improve night-time visibility. Security personnel patrol the route to further ensure that speed limits and driver behaviours are maintained and to check that the road is in good order.

The risk evaluation will be reviewed and updated annually or following the investigation of any incidents that may occur. These reviews will be approved by the Open-pit mining director and the senior VP of operations. The risk process steered leading practice in developing the haul road, which received its statutory approvals from the Mandal district Governor during the reporting year.

Lagunas Norte mine life extension

A general permitting strategy to ensure operational continuity of Lagunas Norte beyond 2025 was planned. Its objective was to obtain in a single strategic program all necessary environmental certifications and sectorial permits needed.

In the short term, a critical approval in the form of a 'Technical Mining Report' for the strategic CMOP Project was gained from the mining Ministry. An accelerated review process delivered this in December 2021.

In parallel, a strategy to pursue and obtain environmental certification for the extension of the life of mine up to 2031 was established. This allowed Lagunas Norte to submit a request to undertake the site's third ESIA modification in January 2022. To support this application, we executed wet and dry season baseline studies and stakeholder consultation to complete social and economic baseline studies in the 14 communities surrounding our area of influence.

These extensions triggered updates to the Lagunas Norte Closure Plan, which were updated in close co-ordination with the permitting strategy.

A series of new and immediate projects and initiatives, including improved mineral processing, optimized leaching and further optimizations for the CMOP construction were collectively assigned a classification under a 'Substantiating Technical Report'. This streamlined process achieved approval in September 2022.

As part of our short-term strategy, some additional sectorial permits and authorizations from the Mining Ministry will soon be launched in the near future. These permit applications will be submitted immediately upon obtaining approval of our ESIA modification.

Our mid-term strategy includes the preparation of a fourth ESIA modification, which has the objective of progressing the Refractory Material Project, and the inclusion of the exploitation of "Lagunas Norte B" as new open pit extraction operation. This mid-term strategy is aimed at extending the life of mine to 2040 and beyond.

Water Management



Mine water management is an essential aspect of mining and a key operational risk. Mining depends on reliable water supplies for process operations. It also requires water for occupational and environmental health reasons such as dust suppression.

Operational continuity is dependent on sufficient reliable water at acceptable water quality levels and at an appropriate cost.

Access to water and the ability to conserve water resources through recycling and process efficiencies are critical operational considerations. We continually monitor and improve our water management systems so that we increase our recycling and use less water from our natural catchments.

Water is also a shared resource in the community and the environment. The communities that host us rely on freshwater supplies for livelihood and domestic purposes. The environments in which we operate require base flows within the ecosystem to maintain their functions, supporting our communities, our workforce and other stakeholders within and outside our watersheds.

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 importance of water, and its shared importance between our operations and local needs, was addressed as part of the environmental and social impact assessments (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.

Boroo and Ulaanbulag operations are in a semi-arid zone and all water is sourced from licensed alluvial wells within the Kharaa-Yeruu river basin.

Boroo mine site operates a closed circuit for water management. No effluent is discharged from the site with all water recycled. No surface water is captured for use in any aspect of the site.

Any runoff water that comes into contact with operating areas of the mines is treated and tested in accordance with our Environmental Management Plan (EMP) to assure compliance with both discharge and ambient national water quality standards before being released from 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.

All data are analyzed against requirements of our EMP, and results are presented annually to relevant authorities. There were no non-compliance events related to water during the reporting year at either the Boroo or the Ulaanbulag sites.

Boroo Mine

Our environmental management plan for the Boroo Gold mine in Bayangol and Mandal districts of Selenge province was approved by national authorities through the environmental assessment process for implementation in 2022. The environmental management plan includes commitments to pursue the principle of effective utilization of resources and materials used in project activities and to follow the principle of conserving the natural resources.

These commitments include measures to improve waste management by reducing, reusing and recycling secondary raw materials and wastes that are produced from the project activities; and by reusing wastewater in our production processes in order to preserve this natural resource locally.

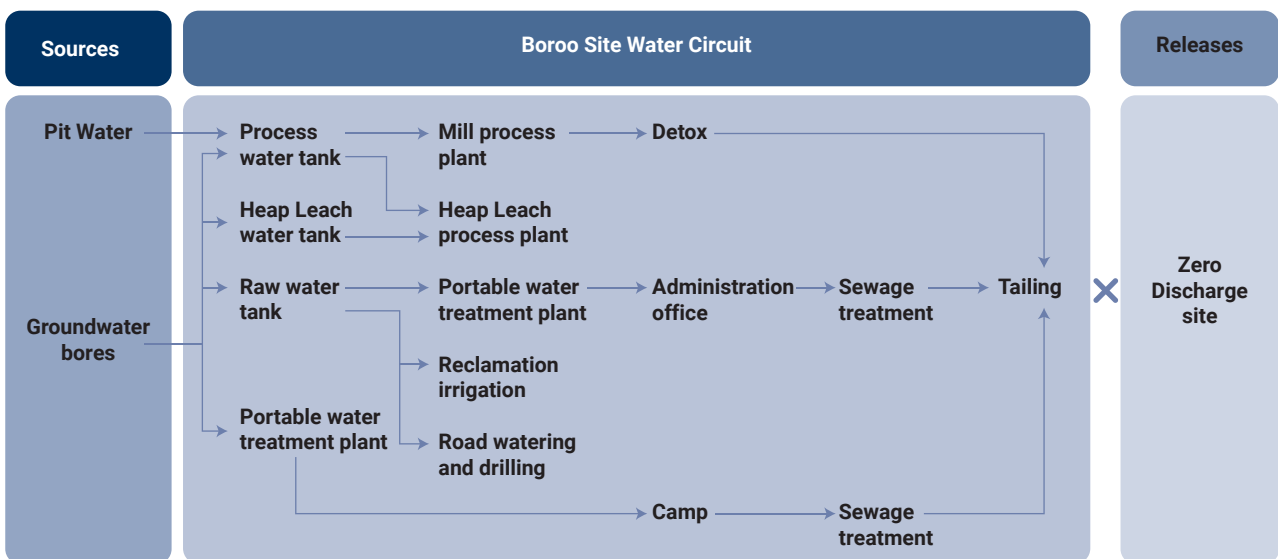
The Boroo Gold Company's Water Management Program commits that we ensure the safe and environmentally responsible management of water at the mine site. The program is designed to ensure that water is managed in accordance with relevant legislation and to assist the operation to meet its water management objectives.

Boroo's Water Management Program (WMP) defines and monitors strict criteria for compliance for all its processes. Our WMP defines a number of internal requirements that apply to all operations, even if local laws may be less strict. BGC water management is fully aligned with the ISO 14001 standard for environmental management, and is also governed by various Mongolian laws and environmental standards, as well as regulatory permits, licenses, and approvals.

Permits associated with water monitoring, taking or discharge include requirements set in our Detailed Environmental Impact Assessment, Environmental Management Plan, water use contract conclusion, certificate of water meter calibration, and certificates of origin from the Mongolian Chamber of Commerce and Approvals for new well drilling.

In April 2022, as planned & approved in the annual environmental management plan, a scientific, theoretical, and practical conference on the topic of "Groundwater-Making the Invisible, Visible" was organized in cooperation with Kharaa-Yeruu River Basin Administration, the regional water authority water. Boroo also sponsored awards for the student and youth participants who excelled in their presentations.

Ulaanbulag Mine, which is a satellite deposit whose ore is processed at Boroo Mine, has a simple water circuit comprising the use of pit water and groundwater for dust suppression.



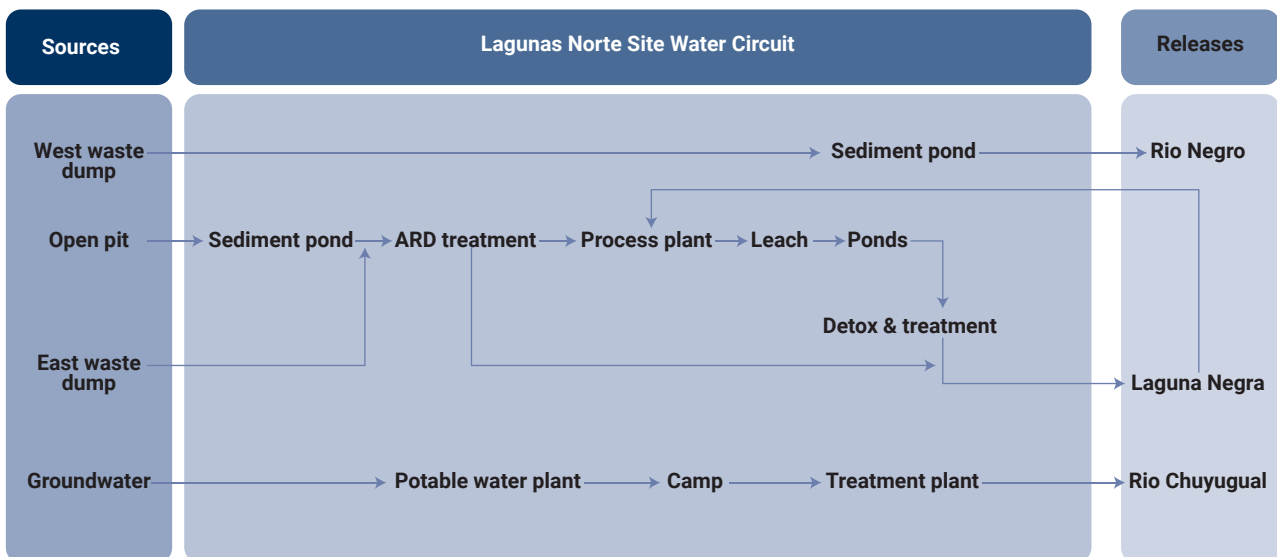
Lagunas Norte

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 Mongolian sites, 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 were no non-compliance incidents through the reporting period. Our Lagunas Norte water circuit is shown below.

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.



Tailings Management



Tailings management in the mining industry have been the source of considerable risk management focus for many decades now. Tailings dams, which carry the waste material from ore processing, are operationally complex to manage. In addition to the waste material storage, tailings dams are subjected to large inflows of water.

This occurs from the waste itself, which is often pumped into tailings dams in a water-rich slurry, and from rainfall, which can contribute to large and intense water fluctuations. Tailings dams are made of excavated material from the ground and can be prone to risks such as structural collapse or leakage through this material.

The waste in tailings dams can be chemically damaging to environmental and human health, and exposure of the tailings waste outside of the tailings dam is often strictly controlled by environmental and safety regulations.

In recent years, following a number of significant tailings dams failures across the world, the focus on tailings dam safety has increased dramatically. Such failures have led many fatalities among communities and workforces, and to the long-term destruction of environmental value.

Boroo seeks to manage its tailings risks to the highest standards of engineering, social and environmental management available to the mining industry.

Across the Boroo portfolio, the company only has one Tailings Storage Facility (TSF). The TSF is located at the Boroo Mine, and stores the tailings from the combined run-of-mine (ROM) throughput from the Boroo Mine and the Ulaanbulag Mine. There are no communities located within close proximity downstream of the tailings dam, and no flowing creeks or rivers in the vicinity of the structure.

Our tailings facility disclosures are presented below to the requirements of the Sustainable Accounting Standards Board (SASB).

Tailings Reporting: Boroo Mine

Sustainability Accounting Standards Board (SASB)

Information	Disclosure
Facility name	Tailings storage facility of Boroo Gold mine
Location	Mandal district, Selenge province, Mongolia
Ownership Status	Boroogold LLC
Operational Status	Active
Construction method	Downstream
Permitted storage capacity	29.68 Mt
Current amount of tailings stored	26.79 Mt stored by Aug 01, 2022
Consequence classification	High
Date of most recent independent technical review	Tailings storage facility inspection are conducted annually. The most recent inspection was conducted May to July 30, 2021. Document name – Tailings storage facility of Boroogold mine inspection report by Usny-Erchim LLC (independent/external).
Material findings from the technical review	Summary of inspection results: <ul style="list-style-type: none"> - Geotechnical stability confirmed - Erosion and rilling to depth of 20-30cm present - Significant vegetation cover established - Eight upstream geomembrane holes found and patched. - Progressive downstream erosion identified - Erosion in flood channel SD2 and SD3 identified - Thirty six constructed toe drains in normal condition - Thirty six toe drains buried; to be excavated and checked - Ten prisms on downstream slopes D5, D6, D7 & D8 installed - Piezometers (26 measurements) showed no level changes
Mitigation measures	All works recommended in the inspection report of tailings dam were carried out between August and October 2021 as follows. <ul style="list-style-type: none"> - All erosion found repaired during tailings dam extension - Vegetation cover cleared in northwest clay liner section - All flood channels around dam repaired - All toe drains reconstructed and extended - 14 new monthly-monitored control points installed on slopes - 10 new piezometers constructed and monitored
Site specific Emergency Preparedness and Response Plan	Boroo's Emergency Preparedness & Response Plan (EPRP) meets Mongolian Mining Regulation and Disaster Management Laws. Each year EPRP and the Crises Management Plans are reviewed and approved by the National Disaster Management Agency of Mongolia. Both internal and international audits cover EPRP plans and the level of practical preparedness annually.

Tailings Management at Boroo Mine

Few aspects of good management practice in the mining sector have received more attention in recent years than the disposal of tailings. Impounding large volumes of finely ground waste ore along with large amounts of water leads to chronic risk of leakage and contamination, as well as catastrophic risks related to structural stability and accidental release. Furthermore, tailings storage facilities are intensive capital projects, and companies typically do not build them to accommodate the entire, predicted life of project. Expansions during the mine's operational life are common, if not continuous, and require highly focused effort to manage the risks identified above. In the wake of high-profile tailings storage failures in recent years, national legislation and international good practice frameworks have heightened their scrutiny of tailings storage facility construction and management.

The Boroo environmental policy includes a commitment on the management of tailings to 'Ensure that all tailings storage facilities are located, designed, constructed, operated and closed in compliance with all applicable laws and regulations and in alignment with accepted international practice'. The actions at the Boroo mine site to manage and expand their tailings storage capacity are in response to this management commitment.

The permanent Tailings Management Facility (TMF) for the Boroo site is located in the Ikh Dashir valley, is connected to the site process plant by a five km pipeline and receives material from both the Boroo and Ulaanbulag operations. The facility received its original 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. A Tailings Management Review Committee has internal responsibility for all aspects of the TFM operation. The committee is chaired by the Boroo Chief Executive officer and includes an additional thirteen members from relevant departments, and an external consultant. Roles and responsibilities are set forth in the Tailings Facility Operations, Maintenance and Surveillance Manual, including the maintenance of an Emergency Preparedness and Response Plan in compliance with national law and in alignment with international good practice frameworks.

An independent technical review was conducted in May-July of 2021. The TMF is also subject to annual inspection and review under national government supervision.

The facility design includes a main cell and plus future east and west cells. All downstream dam raises were designed with side slopes at 3H:1V and a 10 m crest width. To assure stability several methodologies are used, including a finger drain system, piezometer boreholes, and Prism survey controls. By the law, High Density Polyethylene (HDPE) geo-membrane liner is used to cover the dam's inner slope and the reservoir's floor to reduce seepage.

Waste from the processing plant was stored in the main cell from 2003 to 2015, and due to the suspension of open pit mining operations, the facility's operation was suspended after 2015. In 2020, deposition of tailings was resumed as we restarted the mining and processing operations.

Resumption of operations required an increase of the TMF capacity, leading to a downstream raise of the main foundation from 934.5 meters (m) to 937.5 m, which was concluded in October of 2021. This main cell has reached its final design capacity. After the completion of construction, the 9-person building commission established by the decision of the governor of Selenge Province conducted an inspection, concluding that the new capacity was authorized for use as of November 2021.

Surveillance of this critical piece of infrastructure is carried out through seven distinct inspection programs, the frequency of which varies from multiple times per day to annual. Weekly water monitoring is conducted at eight monitoring wells near the TMF to detect any seepage through the liner material. There is also a program of ongoing monitoring as governed by our site Environmental Management Plan and Environmental Monitoring Program. It should be noted that the annual inspection includes participation by government and external expertise, who prepares an independent report of findings.

Reclamation Objectives Completed at Boroo Mine

National mining regulations in Mongolia contain detailed requirements for mine reclamation and closure. Our corporate environmental policy also includes language addressing reclamation commitments, specifically to ‘...start planning for mine closure at an early stage in each mine’s life, to ensure that closure plans are agreed with government and communicated to all impacted communities and other stakeholders...’. Boroo also uses external good practice guidelines to benchmark performance, including the ‘risk readiness’ criteria of the Responsible Mining Initiative, which require that documented plans be in place, including with stakeholder input, for addressing closure and reclamation commitments. We are committed to compliance with legal requirements and alignment with our own policies and selected external benchmarks. The undertaking of reclamation on select areas at the Boroo site is responsive to these corporate commitments.

Under prior ownership the Boroo site planned and carried out reclamation activities in parallel with mining operations, driven by applicable regulations and approved annual plans. A total of 435.7 ha areas were physically closed and biologically reclaimed for return to local authorities over the 2003-2015 period. In 2019, the mining of our alluvial deposit was started under Boroo management, and closure and reclamation activities were initiated on these areas.

Our 2021 Environmental Management Plan (EMP) was developed and approved by the Ministry of Environment and Tourism in compliance with relevant laws and regulations. The EMP was developed pursuant to the Mongolian laws on Environmental Protection and Environmental Impact Assessment, and government regulations on “Development, Approval, and Reporting of Environmental Management Plans”. The EMP was based on recommendations drawn from the project’s Detailed Environmental Impact Assessment (DEIA) reports, research reports, and conclusions and recommendations by professional organizations and experts.

The approved 2021 EMP included a reclamation section which consisted of technical (i.e. physical closure) and biological reclamation, maintenance, caring and watering of afforested areas, post reclamation monitoring and research. Physical closure, which provides geotechnical and chemical stability, was achieved on 45.8 ha area, surpassing the plan requirements of 25 ha, and biological reclamation was achieved on 46.1 ha area surpassing plan objectives for 10 ha.

At the physical closure stage, the alluvial mining pits were backfilled as soon as available following operations. When the recontouring of the backfilled areas was completed, biological reclamation commenced with the application and preparation of topsoil. All these activities were carried out in accordance with relevant standard requirements and good international mining practice.

The objectives of the physical closure and biological reclamation include the restoration of ecosystem function on formerly disturbed areas, allowing their use for agriculture and forestry.

According to applicable legal requirements, annual reclamation works are designated for handover to local government following site inspection and evaluation by a commission designated by the provincial governor. For the September 2021 handover, this commission included the Governor of Bayangol district, the head of the environmental agency of Selenge province, external mining specialists and water specialists, an environmental agency hydrologist, the state environmental inspector of Bayangol district, and community representatives of Bayangol district. The physical closure and biological reclamation of the alluvial pits at the Boroo site plan was evaluated as 100% complete by the commission members, and officially handed over in accordance with the Reclamation Handover Act.

The approved 2022 EMP physical closure and biological reclamation plan will be continued in 2022 on an additional 34 ha area of alluvial mine operations. The reclamation work of 2022 is scheduled for handover to the official commission from Selenge province in October 2022.

Pollution Control



At the Mongolia sites 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, which was approved in April of this year. The ESIA's include long term EMP's 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 licensing 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. During the reporting year several ESIA or generic equivalent instruments were underway for sustaining projects, such as the Carboniferous Material Optimization Project (CMOP) or Lagunas Norte life-of-mine extension projects.

We share the landscape with resident populations who depend on good soil, air and water quality to support their lives and livelihoods. Validation of performance is therefore critical to compliance and stakeholder acceptance of our EMP programs. All sites conduct monitoring programs that produce data on environmental quality for all potentially affected media, including atmospheric, ground and surface water quality. These data are used to produce reports on a quarterly and annual basis that are submitted to local authorities for feedback and approval. Transparency is also sought through stakeholder engagement on monitoring results, with focus on communities in greatest proximity to our operations.

Agency Audit Confirms Environmental Management



In conformance with their Annual Environmental Evaluation Plan, the Environmental Evaluation and Supervision Organization entity of Peru's Ministry of Environment (OEFA) launched its coordination for an Annual Regular Environmental Supervision, or audit, of the Lagunas Norte mine site.

In preparation OEFA requested that MBM communicate the requisites and protocols established to enter the site in compliance with the public health emergency established by the government in response to the COVID-19 pandemic, took place in November 2021.

The audit was carried out by two seasoned OEFA Environmental Supervisors, based on performance of Lagunas Norte against all environmental commitments, as identified in the site's environmental and social impact assessment (ESIA) documentation. Supervision was of 37 components of the mining operation, 34 points for surface water quality monitoring, and other minor auxiliary components. The OEFA team found no non-compliance situations as compared to the ESIA plans.

The performance of automated controls for ponds levels were also verified during the audit, demonstrating Lagunas Norte's commitment to water management within their operations. Additional information requested by OEFA was also provided for their review as a follow up to their site visit. To date, there is no indication that OEFA intends to launch administrative procedures in notification of violations.

The OEFA audit team identified opportunities for improvement for the Lagunas Norte operation, such as enhancement of water management at our west waste dump and micro basins. The audit also noted progress in the recovery of areas affected by pasture fires during the prior year.

In summary, the agency audit demonstrated no adverse impacts to the environment and nearby communities beyond those predicted in the ESIA, based on the agency team's field monitoring, and observations on our controls, and constructive observations were offered on opportunities for improvement.

Climate Change

The impacts of climate change are being felt around the world. As our weather systems begin to reach and exceed historical extremes of rain, drought and temperature more frequently, these impacts reach nearly all aspects of our society. The Conference of Parties #21 in Paris, France in 2015 committed nations and industries to limit the rate of greenhouse gas emissions in the world (The Paris Accord). This would enable us to contain the worst effects of climate change to an average temperature increase across the world of 1.5 degrees Celsius. This is our collective target.

At Boroo, we recognize the part that we must play within the mining sector to limit our contribution to the impacts of climate change in line with global efforts. We also recognize our ongoing responsibility to build our own resilience, and the resilience of the communities in which we operate, to the unavoidable impacts of climate change that will remain even if we contain our future to a 1.5 degree temperature increase.

As a young company developing its portfolio, we are at the beginning of our climate change journey. It is a journey that will include limiting our own greenhouse gas emissions in line with the Paris Accord. The journey begins with understanding our own emissions, and then identifying, evaluating and implementing strategies through which we can reduce emissions per ounce of gold produced (our emissions intensity) and our total emissions (our absolute emissions) continuously as we develop.

In the current reporting year, our emissions across the Boroo Group totalled 69.4 kilotonnes of CO₂ equivalent emissions, which equated to an emission intensity of 0.51 tonnes per ounce of gold. The contribution to these emissions came from Scope 1 sources (sources that we control, such as fuel burning for energy and transport at our sites) and Scope 2 sources (electricity we draw from the national grids in Peru and Mongolia respectively). In the current reporting year, the contribution was as follows for the Group.

As we consider our strategies, we recognize each of our operations is different, and that the countries in which we operate have different fuel and electricity mixes. This means that our Group emissions look different in Peru and in Mongolia.

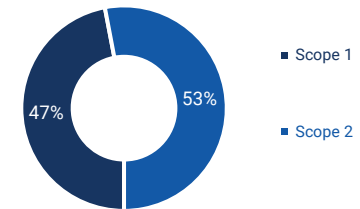
For our Lagunas Norte mine in Peru, our Scope 1 and Scope 2 emissions totalled 45.6 kilotonnes of CO₂ equivalent emissions in the reporting year, which represented a production intensity of 0.63 tonnes per ounce of gold produced. The contribution from Scope 1 and Scope 2 sources were as follows.

In contrast, at our Boroo and Ulaanbulag mines in Mongolia, our Scope 1 and Scope 2 emissions totalled 23.8 kilotonnes of CO₂ equivalent emissions in the reporting year, which represented a production intensity of 0.37 tonnes per ounce of gold produced. The emissions intensity of our Mongolian operations was significantly lower than that of Lagunas Norte. The contribution from Scope 1 and Scope 2 sources were as follows.

Our strategies must work in concert with the decarbonization strategies that each country employs. In Peru, our strategies will be strongly influenced by the decarbonization policies of the electricity sector because of its current high percentage contribution to our greenhouse emissions totals. In Mongolia, where our own energy generation for transport and electricity contributes a large percentage of our current emissions, our strategies must consider our own fuel mix.

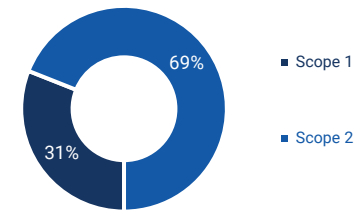
GHG emissions across all sites (Scope 1 and 2 emissions)

Total 69.4 kt CO₂ Production intensity 0.51 t/oz



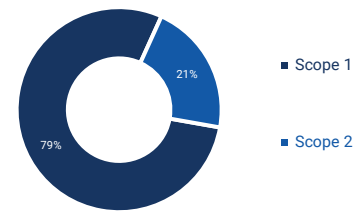
Lagunas Norte GHG emissions (Scope 1 and 2 emissions)

Total 45.6 kt CO₂ Production intensity 0.63 t/oz



Boroo and Ulaanbulag GHG emissions (Scope 1 and 2 emissions)

Total 23.8 kt CO₂ Production intensity 0.37 t/oz



These strategies are yet to be developed in Boroo. We will begin by understanding our current and future emissions profiles, and then consider options for strategically reducing our emissions. This will be a multi-year project as we seek to balance the energy-intensive needs of a growing company with the wise choices we must make in choosing how we access that energy. Those choices will be shaped to some extent by the Scope 2 emissions profiles of the countries in which we operate, and each country's own decarbonization strategies. However, we have begun our journey through first considering how we can become more energy efficient within the operational footprint that we currently have.

Energy Management

Our climate change strategy includes efforts to manage the use of energy at our sites. Energy consumption and energy efficiency contribute to operational cost management as well as emissions management, which includes releases of GHG gases.

At BGM, our Energy Management System aligns with and is certified to ISO 50001:2018, Energy Management. Under this system we implement policies and procedures for the efficient use of energy, define roles and responsibilities, set targets for improved energy management, and monitor and measure progress. This system 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.

A surveillance audit of the BGM Energy Management System was conducted in 2021. Recertification audit is planned to be conducted in Q4, 2022.

The energy reduction plan was checked as part of formal audit, which indicated that the 2021 plan found that a complete plan for energy reduction was in place. Plan objectives include a target reduction of heating and lighting should lead to a 1% savings in energy consumption.

In addition, sixteen energy measuring units that measure consumption are now merged and can be monitored from one program. Audit results indicate that due to implementation of ISO 50001, and the monitoring the usage of energy consumption and procurement, energy consumption was decreased significantly for the operation.

While Lagunas Norte records and reports energy utilization 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 (GHG) Emissions

Both our operations in Peru and Mongolia collect and internally report on carbon emissions using Carbon Disclosure Project (CDP) protocols. A corporate GHG disclosure program that covers both sites and supports operations is being developed to align with established international reporting protocols.

Lagunas Norte Gold Mine



Lagunas Norte Mine Layout



MRM & Exploration Facilities

Heap Leach Pad 2

Heap Leach Pad 1

ARD Water Treatment & Ponds



Crushers & Maintenance Facilities

Open Pit

Year in Review: Lagunas Norte Mine

July 2021	August 2021
<p>Social Media communication launched.</p> <p>Internal newsletter launched.</p> <p>Stakeholder engagement on change of ownership.</p>	<p>La Libertad Al Día radio program launched on local stations.</p> <p>Award from the Institute of Mining Safety.</p> <p>EIA stakeholder Engagement Plan communicated.</p> <p>Delivery of 845 sheep for 169 beneficiaries in Chuyugual.</p>
September 2021	October 2021
<p>Analysis of hazards, risks, and controls with different contractor companies.</p> <p>Forest fires outside mine declared Environmental Emergency .</p> <p>Participation in the 1st regional EITI meeting.</p> <p>Donation of COVID19 oxygen equipment to Health Posts.</p> <p>8,000 sacks of fertilizer delivered to local communities.</p> <p>Delivery of 67 laptops to SENATI scholars.</p>	<p>Audit carried out by authorities – no adverse findings.</p> <p>Site representatives accredited to the National Society of Mining, Petroleum and Energy of Perú (SNMPE).</p> <p>Resolution of Community concerns (p39).</p> <p>OHS training in safety, occupational provided 46 local enterprises (p69).</p> <p>Delivery of 41 heifers to 41 beneficiaries.</p>
November 2021	December 2021
<p>Donation for the repair of “Quiruvilca Maternal and Child Center” ambulance.</p> <p>Donation to the “Asociación Quiruvilca Esperanza de Vida” for maintenance and operating costs of the Oxygen Plant in Quiruvilca.</p>	<p>ISO 14001:2015 Re-Certification Audit successfully executed</p> <p>ITM for the CMOP project was approved, allowing simultaneous construction and operation under a single permit.</p> <p>Award received from the College of Engineers of Peru for contribution to Santiago de Chuco province.</p> <p>Launch of the “zero harm” campaign.</p> <p>Drinking water systems in El Sauco Village constructed.</p>

January 2022	February 2022
<p>57,244 bags of fertilizer delivered to the Chuyugual Community benefiting 2,602 families.</p>	<p>Agreement signed with the Corral Grande village for the implementation of productive projects.</p>
March 2022	April 2022
<p>Permissions obtained from communities for environmental monitoring of the third EIS modification.</p> <p>Field work commences for third EIS modification process.</p> <p>First Safety meeting with the General Managers of the Contracting Companies.</p>	<p>First donation to the Association for Support of Burned Children.</p> <p>Presentation to the Energy and Mines Commission of the Peruvian Congress and the Governor of the La Libertad.</p> <p>Boroo podcast launched as a new internal communication channel on safety, environment and internal culture.</p> <p>Training in driving light vehicles provided to local communities.</p>
May 2022	June 2022
<p>Participation in the 14th Gold, Silver and Copper Symposium held in Lima.</p> <p>Onboarding of three new Health and Safety supervisors for the Mining and Exploration departments.</p> <p>Authorization obtained to start drilling at El Alto project.</p> <p>Delivery of school packages benefiting 2,296 children.</p>	<p>Recognition of the Alto Chicama Social Fund for contributing to improve the quality of life of the population.</p> <p>Included by the Corporate Reputation Business Monitor MERCORANKING among the mining companies that best attract and retain talent.</p> <p>Permissions communities obtained for social baseline study' start for the third EIS modification.</p> <p>Commenced training in weaving and embroidery for the benefit of 73 women from the Inchaca village.</p>

Site Performance Indicators: Lagunas Norte Mine

Sustainability Accounting Standards Board (SASB)

SASB Standard	Title	Performance Indicators	2022 Performance	Comment
EM-MM-110a.1	GHG Emissions	Gross Global Scope 1 Emissions	14,124t CO ₂ e	31% of total (scopes 1+2)
EM-MM-140a	Water Management	Total freshwater withdrawn	425k m ³	Surface, underground, pit
		Total freshwater consumed	0	Net precipitation zone; large volumes of run-on water treated and released
		Incidents of non-compliance: water permits	0	
EM-MM-150a.4	Waste Management	Non-mineral waste	157 t	
EM-MM-150a.7		Hazardous waste	566 t	Included accumulated waste from prior reporting period
EM-MM-150a.8		Hazardous waste Recycled	28 t	
EM-MM-160a.1	Biodiversity Impacts	Description of policies and practices	Yes	Site ESMP addresses biodiversity
EM-MM-160a.2		Sites with acid rock drainage	100%	
EM-MM-160a.3		Sites near protected areas or EN species	100%	No listed species present, wetlands on site have protected status
EM-MM-210a.1	Security, Human Rights	Proven/Probable reserves in conflict areas	0%	
EM-MM-210a.2		Proven/Probable reserves on indigenous lands	0%	
EM-MM-210a.3		Discussion of engagement practices on conflict	Yes	HR policy, site security policies
EM-MM-210b.1	Community Relations	Discussion of process to manage risks	Yes	Site ESMP addresses community relations
EM-MM-210b.2		Number and duration of non-technical delays	13	Zero days of shutdown, some delay to permits, external relations programs etc.

SASB Standard	Title	Performance Indicators	2022 Performance	Comment
EM-MM-310a.1	Labor Relations	Workforce under union agreements	86%	
EM-MM-310a.2		Number and duration of strikes and lockouts	0	
EM-MM-320a.1	Health and Safety	Rates per 200,000 hours; permanent and contract	0.18	Cumulative since Jul 2021 to Jun 2022
		Fatality rates	0	Zero fatalities in the reporting period
		Average hours of safety training per employee	20.1 hours	
		Average hours of training per contractor	18.0 hours	
EM-MM-510a.1	Ethics & Transparency	Description of management system for prevention of corruption and bribery	Yes	Code of Business Conduct and Ethics Anti-Fraud Policy Anti-Money Laundering Policy Anti-Bribery, Anti-Corruption Policy Site policies and procedures
EM-MM-510a.2		Production in countries having 20 lowest rankings in Transparency Int'l index	0	
EM-MM-540a.1	Tailings Management	Inventory Table	NA	No tailings, 100% heap leach
EM-MM-540a.2		Summary of management systems		
EM-MM-540a.3		Emergency preparedness		
EM-MM-000-A	Production	Production of finished metal products	72,126 oz Au	
EM-MM-000.B	Workforce	Total number of employees	1,395	As of June 30, 2022
		Percentage who are contractors	75%	

Social Media Stakeholder Outreach at Lagunas Norte



Mining takes place within a social and economic setting characterized by a large number of stakeholders. Whether local communities, participants in the mining value chain or policy makers in leadership positions, these stakeholders are to varying degrees in communication with one another and capable of having both positive and negative influence on the mining business.

At Lagunas Norte our communications approach recognized the importance of social networks in creating trust and maintaining an informed stakeholder audience, by sharing relevant information about Boroo's organizational culture, our commitment to the principles of responsible mining, fulfillment of agreements and achievements on social networks. Boroo management therefore authorized the site to establish a Facebook page for this purpose.

In the region of La Libertad Peru, where Lagunas Norte is sited, nearly 90% of households had access to fixed or mobile internet by 2021, a growth of nearly 20% over the previous 5 years. In the highlands of the region, where Lagunas Norte mine is located, communications with the outside world have long been challenged by rugged terrain and lack of infrastructure. Social media platforms in this region are capable of reducing this insularity. Access to the internet is improving steadily in these areas and diverse stakeholders are increasingly turning to social networks to communicate and find out what is happening in the country, region, and their locality.

Lagunas Norte had its debut on Facebook in June 2021 and with it we began to build the company's positioning within the world of social networking, allowing us not only to inform, but more importantly to listen to what our audiences want to ask or tell us. As a result of this experience, we achieved a rapid growth on the platform, currently allowing us to reach more than 3,500 followers, with increases each month through organic growth. At present we have an average engagement rate of over 2%, which places us above the average for the sector in the country.

Building on our launch with Facebook, and in the same month, we also made our first publication on the LinkedIn platform. Participants of this social network are more focused on the professional public than is Facebook. Reactions on LinkedIn were positive, resulting in an average growth of 2,000 new followers per month. An important goal was achieved on the LinkedIn network in May 2022, at which time we exceeded 30,000 followers, indicating an encouraging level of interest among diverse audiences, and allowing a broad reach at the country level. Communication channels to different audiences, is fundamental for us to foster relationships through both social networks, allowing us to listen, send messages and eventually dialogue with our stakeholders, which generates a positive impact on building our reputation and trust.

Our experience during the COVID-19 pandemic offers key lessons in the value of stakeholder outreach enhanced by social networks. During this period, the focus on public healthcare and on compliance with health standards decreed by Peruvian authorities demanded changes to the process and manner by which we communicate with our external audiences. Our social networks were responsive to these demands, allowing us to maintain continuous contact with stakeholders and to respond rapidly to queries, in turn one of the most effective means of establishing trust.

Another valuable takeaway is that our employees are excellent stakeholder partners, as their generally positive interactions and comments fostered connections with more people. In addition, our employees' alignment with our corporate culture contributes to additional messaging on responsible mining and enhances our credibility.

We invite you all to follow us on our social networks Facebook and LinkedIn, where you can find us as @MineraBorooMisquichilca. We hope interested stakeholders will join us there.

Communities Receive Livestock from Lagunas Norte



Examples also exist of how community relations can become an asset when properly managed. The Risk Readiness Framework of the Responsive Minerals Initiative provides a succinct example of this practice as follows; ***'To identify community needs in consultation with affected communities, develop a plan, and commit resources to support community development'***, noting the emphasis on a consultative process, through which community needs are effectively identified and trust is established. The commitment of resources beyond those needed for simple mitigation are a further hallmark of good international practice in community development.

Senior Boroo management has authorized the use of good practice frameworks for the mining and metals sectors as benchmarks for continuous improvement and as practical program guidance. Investments for those communities near the Lagunas Norte site are therefore an activity fully supported and authorized by the company.

There are 14 rural communities within the area of direct influence of MBM, having an aggregate population of approximately 15,000 residents. These are rural communities, which by longstanding cultural tradition engage in agriculture, particularly animal husbandry, for their livelihoods. Through its consultative process, Lagunas Norte has developed collaborative agreements with these communities around enhancement of livestock quality, featuring the introduction of improved sheep breeds. These programs are in keeping with our principles for sustainable agricultural development, which include the "use of natural, economic and social resources and potential to achieve local development through food security, generating diverse productive systems."

Within this framework of commitments to support sustainable farming projects as part of local community development, we implemented a program to strengthen the wool production chain and related textile industry with sheep of the Junín breed, through delivery of 845 animals to 169 beneficiaries. Under this initiative, the leaders of the beneficiary communities were involved in the selection of the sheep breeder Sais Tupac Amaru, a company specialized in raising this variety.

The transportation and delivery of the sheep to the beneficiaries took place in 2021, with delivery of the 845 animals to the 169 beneficiaries in the dispersed areas of Shangal, Totoropampa, Centro, Escalón and Quinual. Each family of beneficiaries in the area obtained 4 ewes and 1 ram. With this contribution, families will benefit from the production of wool to be used in making clothing and also with the future provision of meat for food.

This initiative promoted not only the enhancement of local livestock strains, but also strengthened relations between MBM and their community-based stakeholders, with whom relationships had already been developed based on their husbandry and weaving vocations.

Lagunas Norte Joins Responsible Mining Companies

Peru is recognized as an important mineral producing country having a long history and tradition of mining. In the Latin American region, it ranks first in silver production and second in copper, gold and zinc production, while worldwide Peru is the third largest copper producer and the ninth largest gold producer, according to the U.S. Geological Survey (USGS) world survey for the year 2021.

For this reason, and for its significant proven and probable reserves of different minerals, Peru is considered an important mining investment destination. As a result, mining companies operate in the various mineral districts of the country, at large, medium and small scales.

Many, though not all of these operations subscribe to the principles of responsible mining. Good performance under high safety and occupational health standards allows companies to be perceived as socially and environmentally responsible, with exceptions most commonly found in the informal and small-scale mining sector.

According to a recent perception survey published in July 2021 in a national newspaper, four of ten Peruvians have a positive impression of mining, three have the opposite perception, and the balance abstained. This setting, plus the fact that 42% of social conflicts in the country are related to the mining industry, as reported by the Ombudsman's Office in June 2021, shows that formal mining companies interested in establishing a good reputation have a great challenge to be perceived as responsible companies and to distinguish themselves from those that are not.

The Sociedad Nacional de Minería Petróleo y Energía (SNMPE) was authorized by Peruvian Government's Supreme Decree of May 22, 1896 as a non-profit Civil Association composed of entities active in the mining and hydrocarbon sector. One of the SNMPE's purposes is to promote the development of mining, hydrocarbon and electricity activities and its auxiliary activities and services, through the sustainable use of natural resources.

To realize this purpose, the association contributes to the conservation of the environment and social development, encourages investment in these productive sectors for the generation of economic and financial resources required by the country, and promotes and defends the national economy.

The SNMPE promotes and defends the market economy and competitiveness in our sectors, evolving through 126 years of institutional life as an association allied with formal and responsible mining investment, that positions itself as having a solid positive reputation with various stakeholders in the mining sector.

Given the scant public knowledge on the positive impacts of the sector and the high standards for safety, environment and social relations with which formal and responsible mining companies operate, the SNMPE is a venue to articulate and join efforts of associated companies in achieving several objectives.

These include to inform, clarify myths, address concerns, and generate confidence in the main stakeholders who have a legitimate interest in the mining industry, or who may be affected by or exert influence over it.

The association seeks to generate synergies in various issues of common interest to its members, share positive experiences and lessons learned, promote good practices aligned with the principles of responsible mining and exercise representation and transparent institutional relationship with key stakeholders.

Association members also collaborate in solidarity with natural disasters and health emergencies, as was recently the Covid-19 pandemic.

Following the Lagunas Norte mining unit acquisition by Boroo Pte. Ltd in 2021, Lagunas Norte sought membership in and has been accepted as one of the SNMPE's associate companies. Through this membership we actively participate in the mining sector and its committees, and participate in events such as the 14th Symposium of Gold, Silver and Copper that the SNMPE organized in May 2022.

Our participation in such events enables us to share both good experiences and lessons learned from the mining industry in the country and to benefit directly from the representation and transparent institutional relationship that the SNMPE promotes with key stakeholders. These stakeholders are thus informed of the positive impacts, good practices, opportunities and challenges of its member companies and the mining sector.

All of these factors contribute to building and strengthening our reputation in Peru as a company that subscribes to the principles of responsible mining and a good corporate neighbor.

Lagunas Norte Safety Initiatives

At Boroo, senior management has adopted a proactive approach to prevent occupational injuries and work-related illnesses, with the aim of zero accidents or safety incidents. Achieving this goal is a collective responsibility involving all our employees, subcontractors and our communities. Our contractors are required to observe our health and safety principles at the same level of compliance as our direct employees. Our Occupational Health and Safety (OHS) Policy is derived from the concept of 'zero harm' and commits the company to compliance with all relevant statutory obligations, to providing adequate resources to identify all potential hazards and to establish and maintain safe systems of work. It requires that all incidents are reported and thoroughly investigated with a view to preventing a similar event from recurring.

Lagunas Norte examined two Lost Time Incidents (LTI) events occurring in late 2021, and included staff in the development of revised strategies to prevent their recurrence in the future.

The first LTI involved contract staff responsible for site security. An agent was conducting a foot patrol, and slipped while descending a slope, resulting in hand injuries. Corrective actions taken to prevent recurrence of this event included renewed focus on disseminating existing written procedures and safety gear for conducting foot patrols, additional training of security staff on the use of safety gear, and assessment of site access points and foot paths to identify hazards.

The second LTI entailed a Lagunas Norte truck operator having a 'micro sleep' incident and driving into a ditch partly rolling the truck and sustaining injury. Incident investigation led to corrective actions that included evaluation of barriers (i.e. guard rails), other physical measures such as sleep monitoring systems, and several administrative measures to reinforce existing procedures that assure adequate rest on the part of equipment operators.

Beyond the incident management phase, additional action was taken to tighten overall OHS performance at the site. A workshop was held with employees of the different operational areas and contractor companies to analyze the events that occurred in 2021, to identify opportunities for improvement in the site's OHS performance. In the workshop setting, four working groups were individually tasked with developing a work plan focused on risk prevention, leading to new safety campaigns. Using such tools as portable and scannable information cards, podcasts, visual materials, competition for 'outstanding employees' and direct training, the site has refocused attention on zero harm concepts.

These efforts also led to a new 'Safety Vision' for the site, which included development of objectives that included commitments to management in the context of growth, full statutory and policy compliance and recertification under external standards such as ISO 45001.

TRAINING ON OH&S TOPICS EXTENDED TO LAGUNAS NORTE CONTRACTORS

The promotion of local businesses has been an integral aspect of Lagunas Norte's economic development program for the rural communities within its area of influence. These local businesses are expected to align with Boroo Gold and Lagunas Norte policy requirements. These requirements create a need to train local entrepreneurs in our performance expectations in the areas of Occupational Health and Safety and the Environment. Such capacity building is necessary for their business to legally work in the mine.

Lagunas Norte engaged with the Chamber of Commerce of La Libertad Region, obtaining the services of a local firm to prepare training presentations and to carry out the program, coordinate the rental and conditioning of facilities and other activities related to the activity. All services complied with COVID-19 prevention and control protocols in force at the time.

Training covered a diverse set of topics under the general categories identified below.

- Orientation to the national legal framework governing OH&S and environmental management in mining activities, including relevant law and implementing regulations.
- Description of the processes needed to meet the above regulatory requirements, and to be certified to enter the mining operation, such as medical examinations and required insurance coverage
- Training on specific requirements for individuals, including induction processes, driving examinations and additional complementary courses as required by the specific type of work to be carried out.

Given the ongoing COVID-19 pandemic in Peru at the time of this activity, additional training was provided on preventative measures, including the use of respiratory protection, social distance measures, ventilation of spaces and hand washing.

Forty six business attended, surpassing expectations and providing evidence of strong community interest in participation in Lagunas Norte's local vendor programs.

Water Management Initiatives at Lagunas Norte



Our water management scheme at Lagunas Norte is an integrated system that includes runoff water collection (for both contacted and non-contacted water), pumping from and to treatment facilities, diversion channels, collection and sedimentation ponds, culverts and runoff collection from impermeable barriers on leach heaps, waste-water treatment plants and lagoons.

Our currently approved Environmental Management Plan (EMP) details the integrated management, control and vigilance measures for main and auxiliary activities executed at Lagunas Norte related to water management that allow us to comply with current environmental regulations.

For the period covered by this report, main water management measures were executed for the maintenance of channels and ponds, including Laguna Negra and Quesquenda basins, topsoil ponds, Shulcahuanca lower basin, Vizcachas areas, the leaching system perimetral channels and others.

At the leach facilities, our 'raincoat' system was managed to improve rainfall collection and diversion into non-contacted water channels, though the geomembrane was removed in certain areas to execute slope re-conformation activities.

Water collection and pumping through perimeter channels of the east waste dump to acid water ponds was carried out as part of acid water management, directing this flow to the Acid Water Plant. In the western sector of our mining perimeter maintenance was conducted on contact and non-contact water conveyance channels, as well as on associated sedimentation ponds.

For the management of cyanide solutions, there is a closed circuit between the Merrill Crowe and CIC gold refineries that includes process water ponds and the leach pad system. Water balance data provides estimates of the volume of solution that will be diverted to the cyanide detoxification system, which includes secondary treatment and a reverse osmosis plant for later discharge in the Laguna Negra creek or to be reused. There are also domestic wastewater treatment plants that reduce the biological load of wastewater generated in camps and offices.

Lagunas Norte has various engineering controls, with automation systems providing online data from a control room, and featuring preventive alarms and interlocks to help timely process control.

Over the period of reporting, a volume of 49,444 cubic meters (m³) of treated domestic effluent and 7,904,927 m³ of industrial effluent were discharged. These volumes are within the those authorized by the National Water Authority and meet the quality criteria of corresponding regulations. It is important to mention that the average available cyanide value at the discharge point was 20 times less than the value established by the standard for mining-metallurgical effluents. In the same period 100,922 m³ of treated water was reused for the irrigation of roads as well as for production activities.

Boroo Gold Mine



Boroo Mine Layout



Boroo Pit

Mill Process Plant

Maintenance Workshop



Tailings Storage Facility

Camp

Heap Leach Plant

Heap Leach Crusher

Year in Review: Boroo Mine

July 2021	August 2021
<p>External monitoring of water, soil and air monitoring shows compliance with relevant legal requirements.</p> <p>Total of 45.8ha of technical and 46.1ha of biological reclamation were completed and handed over to the official commission.</p> <p>Internal audit of Energy, Safety & Health and Environmental management systems commenced.</p> <p>Risk assessment and control measures introduced during SAG mill relining preparation meetings.</p> <p>Funded MNT 20 million for COVID prevention for Bayangol district.</p>	<p>Decommissioning of old piezometers and implementation of eight new piezometers completed at Tailings facility.</p> <p>SAG mill and crusher liner change maintenance completed incident free.</p> <p>Collaborative risk assessments completed for tailings liner works and exploration in Pit 3.</p> <p>Documentary movie about Boroo and its Gatsuurt deposit completed.</p> <p>Mandal district’s community delegation meeting carried out to improve human resource training and procurement.</p>
September 2021	October 2021
<p>EMP 2021 for additional exploration project developed and approved</p> <p>242 employees and contractors trained on fire prevention and response.</p> <p>Construction work of the main tailings cell extension completed.</p> <p>Participated in a meeting in Bayangol district, organized among the mining companies by the governor’s office.</p> <p>Mandal district delegation outcomes communicated to the representatives from Citizen’s Public Assembly and a working group was established.</p>	<p>Archeological and Paleontological research studies were conducted at exploration areas and official conclusions obtained.</p> <p>External ISO standard Surveillance audit on BGC’s Energy, Safety and Health and Environmental management systems conducted; no non-conformities issued.</p> <p>Safety department inspection from Mandal district’s local Disaster Agency on fire prevention and compliance.</p> <p>Weekend Duty Managers and senior roster commenced as per emergency response plan.</p>
November 2021	December 2021
<p>EMP 2021 of exploration project at XV-021931 and XV-21829 license approvals obtained from local governments.</p> <p>1800 trees planted as first implementation of Boroo’s “3 million trees by 2030” commitment supporting Mongolia’s “1 billion trees by 2030” movement.</p> <p>Refresher training of fire wardens completed.</p> <p>Mill and Heap Leach employees trained on hazard and risk identification.</p> <p>Tailings extension work inspected by Provincial bodies and approved.</p> <p>Engaged at Boroo Information Center with Mandal district’s growers.</p>	<p>First bottles of “Dorgont honey” brand was produced from biodiversity offset program.</p> <p>Biodiversity offset program reports for 2021 presented to the representatives of local government and herders.</p> <p>Signing of agreement to construct an oxygen factory in Mandal district.</p> <p>311 children and 210 elders of three district were given gifts from the company for New Year.</p>

January 2022	February 2022
<p>EMP 2021 Implementation report of Boroo hard rock and alluvial deposit approved by Ministry of Environment and Tourism.</p> <p>Hazardous waste reports and annual report were submitted to the Environment and tourism department of Selenge province as per the reporting purposes required by relevant legislation.</p> <p>EMP 2021 Implementation reports of Exploration project MV-000198 approved by local governors.</p> <p>ICAM method used to investigate the root causes of LTIs.</p> <p>Cooperation agreement reports submitted to the governors and the Citizen's Public Assemblies of three districts.</p>	<p>Official permission for the temporary storage of used batteries obtained from local authority.</p> <p>Safety watch carried out during mill shut down for Ball Mill relining processes.</p> <p>Collaboration with Selenge province's emergency department inspection team for emergency preparedness and fire prevention.</p> <p>Training matrix for risk-affected workplaces updated.</p> <p>Bayangol district's governors endorsed satisfactory implementation of co-operation agreements.</p>
March 2022	April 2022
<p>EMP 2022 of the exploration projects at MV-001970 and XV-21931 license areas approved by local government.</p> <p>Mining of residual reserves at II and V ore body Feasibility study report #3 approved by state authority.</p> <p>Company's EITI report was prepared and submitted.</p> <p>HR skills-based remuneration program procedures implemented.</p> <p>Commenced design work for the newly establishing the East tailings dam</p> <p>Boroo mine's Feasibility Study (Pit2, 3, 5) approved by the Mineral Resources Professional Council of the Ministry of Mining</p>	<p>EMP 2022 approved by MoET.</p> <p>Detailed Environmental Impact Assessment (DEIA) commenced for Feasibility study report #3.</p> <p>2022 Emergency Response Plan approved by relevant government agencies.</p> <p>Disaster Management Plan training co-ordinated with Mandal district's agency branch specialists.</p> <p>Meetings held in Mandal and Bayangol districts for local procurement servicing the mine site catering.</p>
May 2022	June 2022
<p>DEIA addendum report of Boroo gold hard rock deposit mine approved by MoET.</p> <p>Safety department participated in Disaster management table top mock exercises organized by the regional Government offices and Local citizens representatives and Disaster Agency branches.</p> <p>Environmental assessment report communicated at meeting of the 3rd subdistrict of Mandal district.</p>	<p>Agricultural university students included in tree planting of 1545 trees.</p> <p>Biodiversity monitoring study of Boroo reclaimed areas commenced.</p> <p>Local authorities inspected illegal mining-affected holes and safe barricades implemented.</p> <p>Celebration of Mother's and Children's day conducted with 269 children of three districts.</p>

Site Performance Indicators: Boroo Mine

Sustainability Accounting Standards Board (SASB)

SASB Standard	Title	Performance Indicators	2022 Performance	Comment
EM-MM-110a.1	GHG Emissions	Gross Global Scope 1 Emissions	11,086 t CO ₂ e	72% of total (scopes 1+2)
EM-MM-140a	Water Management	Total freshwater withdrawn	582k m ³	
		Total freshwater consumed	582k m ³	No offsite discharges
		Incidents of non-compliance: water permits	0	
EM-MM-150a.4	Waste Management	Non-mineral waste	615 t	
EM-MM-150a.7		Hazardous waste	74 t	
EM-MM-150a.8		Hazardous waste recycled	82 t	Incl. waste from prior reporting period
EM-MM-160a.1	Biodiversity impacts	Description of policies and practices	Yes	Site EMP addresses biodiversity
EM-MM-160a.2		Sites with acid rock drainage	0	Net acid neutralizing materials at Boroo
EM-MM-160a.3		Sies near protected areas or EN species	100%	No listed species found during baseline. IUCN listed species observed in reclaimed areas on a transitory basis
EM-MM-210a.1	Security, Human Rights	Proven/Probable reserves in conflict areas	0%	
EM-MM-210a.2		Proven/Probable reserves on indigenous lands	0%	
EM-MM-210a.3		Discussion of engagement practices on conflict	Yes	
EM-MM-210b.1	Community Relations	Discussion of process to manage risks	Yes	
		Number and duration of non-technical delays	0	
EM-MM-310a.1	Labor Relations	Workforce under union agreements	23%	
		Number and duration of strikes and lockouts	0	

SASB Standard	Title	Performance Indicators	2022 Performance	Comment
EM-MM-320a.1	Health and Safety	Rates per 200k hours; permanent and contract	0.75	Total reportable injury frequency rate
		Fatality rate	0	Zero fatalities in the reporting period
		Average safety training-employees/contractors	7 hours	
EM-MM-510a.1	Ethics & Transparency	Description of management system for prevention of corruption and bribery	Yes	Code of Business Conduct and Ethics Anti-Fraud Policy Anti-Money Laundering Policy Anti-Bribery, Anti-Corruption Policy Site policies and procedures
EM-MM-510a.2		Production in countries having 20 lowest rankings in Transparency Int'l index	0	
EM-MM-540a.1	Tailings Management	Inventory table	Yes	See report attachment.
		Summary of management systems	Yes	See relevant report sections.
		Emergency preparedness	Yes	See relevant report sections Tailings dam emergency response plan is included in Boroo and Ulaanbulag mine ERP.
EM-MM-000-A	Production	Production of finished metal products	20,603 oz Au	Metal from Boroo only
EM-MM-000.B	Workforce	Total number of employees	362	As of June 30, 2022
		Percentage who are contractors	30%	

Local Procurement Drive at Boroo Mine

An avenue of economic benefit that is usually available to local communities is via the sourcing of goods and services needed by the mine. Mining projects are frequently located in rural areas characterized by a low capacity to supply goods and services. There may be a general absence of an 'entrepreneurial culture' that grows capacity. Yet the potential benefits of local procurement are both significant and mutual for both parties. These challenges can be addressed by local sourcing based on analysis of those company needs that fall within the community's existing capabilities, as well as through actively building greater capacity. Local communities in rural areas are often under-skilled or unemployed, and capacity building around small business management can provide skills that address needs for jobs and related training.

At Boroo we recognize that our supply chain is a key collaborative function within various departments of the organization for adding value and improving operational efficiencies, including in community development. Supply chains operate to procure the right quality of goods or services, at the right time, in the right quantity, from the right source and at the right price.

The Boroo supply chain department is continually working with communities directly impacted by our operations through our community relations officers, to increase the quantity and range of goods and services acquired locally. In the past year, procurement department staff, with assistance from our community relations department, carried out the following related tasks:

1. Collection of information on the existing small and medium enterprise (SME) capabilities of local districts.
2. Visits to two local districts in pursuit of business opportunities by supply chain department staff to meet with state and private business organizations, and to identify their available services.

3. Visits by SMEs representatives to the Boroo mine site, which included visits to the warehouse, camp, and catering services.
4. Visits by local herders and agricultural SME representatives to a catering contractor company that operates a meat processing plant.
5. Presentation of data on local procurement at the local districts' head offices, including information from our catering company on general requirements for agricultural products and current purchasing numbers.
6. Assistance to existing and potential suppliers for registration to be a supplier, accurate completion of supplier information forms, and proper invoicing and e-tax reporting.
7. Assistance with logistics issues that might occur during supply of goods and services to the mine-site.

These efforts have helped us continue to build local content in our supply chains. Our contractor catering company now procures fresh vegetables from a greenhouse farm in Mandal district. Orders for sample bags are being placed with tailors in a local workshop in Bayangol, and Mandal districts. Cleaning materials and fabrics for cleaning purposes are also being prepared and provided by Bayangol elder family members. Safety and warning sign boards and other types of printed materials required for the mine-site are being ordered from a local printing company in Mandal district. In addition, wooden materials such as surveying wooden stakes and firewood are prepared and supplied from Tunkhel village. Hotels in Mandal district also benefited from a mandatory quarantine imposed during the COVID-19 pandemic on employees arriving to mine site for shift work.

The company is working with SMEs of Mandal district, Bayangol district, and Kherh and Tunkhel villages, and will continue to expand its co-operative influence in the future.

EIA Launched for Mining of Residual Reserves

Mining projects are usually initiated based on a first estimate of ore reserves and the capital investment needed to recover them. This assessment of feasibility predicts financial performance based on data that include mineralization and capital, plus the costs of addressing environmental and social impacts.

International good practice frameworks, and in most cases around the world national legislation, require that each update to a site's foundational feasibility study be accompanied by parallel updates to environmental and social impact assessments, including provisions for local stakeholder engagement.

The Boroo Gold growth story so far is based on the acquisition of properties that have been exploited for some time, and on which significant mineralization remains. Our business model is to find and take advantage of updated mining and/or processing options. As a result, we work to review and update the original feasibility studies is part of our basic business model. When doing so, our corporate environmental policy commits us to:

- Ensure full compliance with all relevant environmental legislation and regulations,
- Provide transparent communication and engagement in relation to our environmental performance with internal and external stakeholders, and to
- Apply good practices in environmental management.

The work carried out at our Boroo mine site to assess feasibility of recovering additional reserves, while also conducting a transparent modification of environmental and social studies, is in full alignment with our corporate goals.

To bring the available mineral reserves more completely to market at competitive costs, we updated our understanding of the hard-rock gold deposit reserves at the Boroo site. A new mine plan was developed based on the use of available machinery, equipment, infrastructure, workforce and processing plant. The use of existing resources kept capital investment low, increasing the economic performance of the project. The existing feasibility study was updated and approved according to applicable laws and regulations. These updates required us to re-examine the environmental and social implications of varying and extending the mine plan.

Mongolian laws and regulations call for the existing Detailed Environmental Impact Assessment (DEIA) to be updated. The DEIA of our project to mine the Boroo hard-rock gold deposit located in Bayangol and Mandal districts of Selenge province with open pit mining, was developed by a certified professional organization.

Primary and potential environmental and socio-economic impacts were defined, as based on proposed exploitation of residual reserves found in ore bodies No.2 and No.5 of the Boroo hard-rock gold deposit. Proposed exploitation was through open pit mining methods, ore processing with carbon-in-leach and heap leach technologies. Appropriate studies were commissioned using environmental and social experts to help define the possible impacts of the proposed development. Measures to mitigate, reduce, protect, offset and rehabilitate them were developed in the studies, and provided in the DEIA for review by the regulatory authorities.

Pursuant to the national regulation and good practice guidelines on ensuring public engagement in the environmental impact assessment process, the DEIA was presented to and official opinions were obtained from Public Assemblies, involving representatives of the Gonir 3rd subdistrict, Bayangol district and Bayansuudal 3rd subdistrict, Mandal district, in May 2022.

Detailed information was presented during the DEIA presentation, such as primary and potential environmental and socio-economic impacts of the proposed project operations, and preventative, mitigation, reduction, protective, offset and reclamation measures for addressing these impacts. Comments and proposals of citizens provided at the public assemblies were subsequently reflected in amendments to the DEIA.

The DEIA Addendum report was reviewed at a panel meeting of the Specialized Council under Ministry of Nature, Environment and Tourism in late May 2022, and was officially concluded as feasible and approved. The main document that permits commencement and implementation of the project is the approved DEIA, which will now guide and direct the responsible management of environmental and social impacts for the expanded scope of the Boroo Mine.

Conservation at the Boroo Mine Site

Biodiversity and conservation have become increasingly prominent in the global consciousness in recent years. The fine balance of ecosystems has long been recognized, and environmental efforts have developed over time to preserve that balance. With the increase in urbanization around the world and the stresses on ecosystems exerted by climate change, this balance has become more fragile around the world.

The construction and operation of a mine entails the disturbance of large surface areas, of land. This in turn carries the potential for impacts to living natural resources, including the loss or degradation of biological habitats on which local and migratory wildlife may depend.

Such biodiversity losses, which are an issue of significant global concern, have prompted the further development international good practice frameworks for the mining sector. In recent years, as with climate change, the mining sector has highlighted this issue from among other environmental topics for focused attention.

Our corporate environmental policy requires Boroo sites to protect the environment by 'applying proven management practices to prevent pollution and mitigate impacts'. These proven management practices include application of the mitigation hierarchy, a practice that is followed in the preparation of environmental and social impact assessments. The implementation of long-term conservation activities at the Boroo site strongly reflects this policy.

A long-term Biodiversity Monitoring Study is conducted through an external professional organization on reclaimed land at our Boroo site every 2 years. This is done in order to evaluate performance and results of our environmental and wildlife conservation activities, compared to the baseline conditions identified through the 1999 Detailed Environmental Assessment (DEIA).

The monitoring study team includes scientists and experts from the University of Agriculture (University of Life Science), the Institute of Biology of Mongolian Academy of Sciences (MAS), and professionals from conservation NGOs.

The 2022 Biodiversity Monitoring Study occurred in June, with continuing field surveys and monitoring for resident and migratory species in our reclaimed areas continuing through August and October. In-field cameras were used throughout the year to help experts better understand the ecosystem services in the area, and their variations through the seasons. Biodiversity and conservation research at reclaimed areas is mainly focused on the effectiveness of measures to protect and restore the habitat of impacted species.

In addition to surveillance and monitoring, the following hierarchy elements are being implemented in several stages in order to conserve and re-introduce wildlife affected by mining activities.

- Avoidance, which conserves important habitat by safeguarding areas from unnecessary impacts of mining activities.
- Mitigation, informed by regular monitoring of the impact of mining on wildlife and recording of incidents involves planning and implementation of measures to prevent future incidents.
- Restoration through physical and biological reclamation, to restore impacted habitats. Restoration programs include afforestation, establishment of reservoir ponds, and the planting of pastureland species in disturbed areas.
- Additional nature conservation measures, such as the supported re-introduction of rare animals.

The recent study results concluded that of the 40 main plants growing at the reclaimed area, 21 are species that existed before the reclamation operation. Approximately 50 percent of plants now found within the reclaimed area are composed of native species present in the area when it was in its original state. This indicates that the reclaimed area is approaching its original natural state.

A 2010-2018 monitoring program found that the reclaimed areas were temporarily and permanently inhabited by 128 species of insects, 1 species of amphibians, 2 species of snakes, 17 species of mammals and 80 of birds as result of reclamation activities undertaken over the last years. Many of these species are native species that existed before mining operations.

There are 27 species of butterflies among the insects at reclaimed and afforested areas, indicative that the areas surrounding the mine contain pasturelands having well-developed flowering plants. Approximately 30% of the insects recorded in the reclaimed areas are pollinators, and many other species serve as an important source of food for migratory breeding birds.

During the 10-year period of implementation of the reclamation activities, positive changes have been recorded in the composition and number of animal species, the interrelationships between species have been restored and habitat conditions have been stabilized for wildlife.

Animals of conservation concern, as identified on the Red List of the International Union for the Conservation of Nature, have been recorded in the reclaimed areas, such as the Mongolian marmot, peregrine falcon, white-fronted goose, gray wolf, and yellow fox. In summary, over a relatively short period of time, many species of animals have been re-introduced to the reclaimed sites, through our conservation measures. The restoration of pasture plant species, afforestation, and establishment of ponds and reservoirs is providing forage, nesting, and shelter for both flora and fauna of the area.



Biodiversity Offsets Boost Honey Enterprises



As part of Biodiversity offset program of Boroo mine, and in accordance with applicable clauses from national law on environmental impact assessment, we have created a professional organization (Sustainability Eat Asia LLC) to carry out studies prior for implementing mitigation measures for impacts to biodiversity, which take the form of 'offset protection'. Under this program we assess residual impacts to biodiversity due to Boroo mine operations, estimate areas that require mitigation, and define offset protection measures.

In collaboration with the Governor's Office of the Bayangol district, Selenge province, the private contractors and Boroo Gold, agreements have been drawn up to implement biodiversity offsets in Bayangol district of Selenge province. In accordance with relevant laws and regulations and within our biodiversity offset program, Boroo is implementing two projects, one for pasture improvement and another for afforestation of lands prone to desertification.

The importance of bees in connecting and increasing the resilience of diverse ecosystems is well known. Within the scope of the Dorgont pastureland management improvement project, and with the purpose of strengthening the ecosystem stability as well as increasing income sources for herder families, Boroo launched a project to develop a beekeeping and honey production industry on these pasturelands as well as mine rehabilitated areas.

Beekeeping at mine reclaimed areas and Dorgont pastureland is not only economically profitable for herder families, but also has the advantage of increasing the cross-pollination of plants, enhancing plant growth and diversity of species in the areas, and strengthening the balance and quality of ecosystem. Before starting the project, consultations were held among the local herder families, from which two emerged for voluntarily participation.

In the first stage of the project, the herders were trained and practiced under guidance of a professional consultant and growing and caring for four bee colonies.

Starting from 2020 during the warm season, a second stage of the project involved adding four more bee colonies. Honey was harvested for sale contributing to the domestic incomes of the herder families.

As part of the Dorgont offset project and in line with responsible mining practices, a brand development project was launched to establish the "Dorgont Honey/Responsible Mine/Responsible Product" brand in 2021. A total of over 300 bottles of honey were produced under this brand and distributed to cooperating local and state administration officials, and partners as part of the company's New Year's greetings.

The name of the "Dorgont Honey/Responsible Mine/Responsible Product" communicates the product is from an area that is well managed and improved by herders, and is further representative of the responsible herding and improved rangeland communities, as supported by the Company and its biodiversity offset program. The program also incorporates standards for quality control and assurance. "Dorgont Honey/Responsible Mine/Responsible Product" has been registered in a responsible production tracking system, which verifies how it meets the criteria of for being responsible product. The product has a QR code; by scanning this code it is possible to see detail information such as the origin, the status of the pastureland with photos where the honey was collected.

In 2022, the herders/beekeepers are focusing on strengthening bee colonies through improved breeding, and increasing the number of colonies. Four additional bee colonies will be added in 2022, bringing the total to twelve. Future focus will be on further expansion and marketing opportunities.

Ulaanbulag Gold Mine



Ulaanbulag Mine Layout



Haul Road to Boroo



Camp



Maintenance Workshop & Office





Open Pit



Year in Review: Ulaanbulag Mine

July 2021	August 2021
<p>EMP and EMP Implementation report of the Ulaanbulag ore hauling road construction project developed and approved by the Selenge provincial Environment and Tourism Agency</p> <p>Unknown animal bones discovered during mining triggers co-operative palaeontological recue study with the Mongolian Academy of Sciences.</p> <p>Herders' survey conducted near the Ulaanbulag project.</p>	<p>Official conclusion and Paleontological study report received from Mongolian Academy of Sciences</p> <p>New water supply well permitted and implemented.</p> <p>Risk assessments and inspections heralded exploration drilling operations at licensed areas.</p> <p>Risk assessment commenced for ore haulage from Ulaanbulag mine site to Boroo mine.</p>
September 2021	October 2021
<p>Statutory biannual Environmental audit was conducted with 98% conformity outcome.</p> <p>Ore haulage started from Ulaanbulag to Boroo Mill Plant.</p> <p>Funding of advance payment for a community project to build a sport hall in Bornuur district.</p>	<p>Local community meeting organized for Bornuur district residents and local government representatives; EMP 2021 activities reported.</p> <p>Annual inspection from Mandal district's local Disaster Agency on fire prevention and compliance completed.</p>
November 2021	December 2021
<p>EMP 2021 Implementation report was introduced to local government working group.</p> <p>Ore haulage road safety inspections and meetings were with local community and herdsman about road safety from Ulaanbulag mine to Boroo site.</p> <p>Distributed safety alert poster describing causes and actions occurred relating accidents and incidents.</p>	<p>As part of Ulaanbulag's Biodiversity offset program 2021, 5ha of afforested land was officially handed over to the statutory commission.</p> <p>Completion of cyanide related road signage improvements.</p> <p>Seven herder grievances about haul road dust and noise acknowledged and responded.</p>

January 2022	February 2022
<p>EMP 2021 Implementation report of Ulaanbulag was approved by MoET.</p> <p>EMP 2022 of Ulaanbulag was developed and approved by MoET.</p> <p>Testing of Mine Emergency communication infrastructure tested successfully.</p> <p>Site shuttle bus and shift change bus routes revised and distributed to further increase effectiveness and reduce risks.</p> <p>Local road ownership for ore transportation road approved by Mandal district's Citizen's Public Assembly.</p>	<p>Audit recommendations from the Environmental audit report 2021 of Ulaanbulag commenced implementation.</p> <p>Job Hazard Analysis and trainings undertaken for Ulaanbulag site employees.</p> <p>Collaboration with Selenge province's emergency department inspection team on emergency preparedness plans, emergency equipment, mine rescue team competency and fire prevention control measurements.</p> <p>Two herder grievances regarding dust on road acknowledged and responded.</p>
March 2022	April 2022
<p>Dust monitoring along the ore transporting road conducted and mitigation plans set.</p> <p>Road ore haulage inspections and repair works conducted.</p> <p>Visited and consulted with herders' families on road dust and other activities, with co-operative action plan developed.</p>	<p>Haul road watering studies for dust mitigation completed.</p> <p>Donated a new loader to Bornuur district for managing waste at its landfill site.</p>
May 2022	June 2022
<p>Green belt tree planting of 18,000 elm trees around the tree nursery area completed.</p> <p>Two new groundwater wells established for water supply sources of tree nursery.</p> <p>Responded to herder requests for safety inspection and backfilling of illegal mining holes near mine, in conjunction with local authorities.</p> <p>Stage One of Ulaanbulag ore mining completed.</p> <p>Preparation of the Ulaanbulag Mine's Feasibility Study development commenced.</p>	<p>Agricultural university students involved in planting of 25,000 trees at Ulaanbulag site.</p> <p>Haul road dust monitoring results and environmental controls shared with local families of Bayangol and Mandal districts.</p> <p>Dust control, road safety and operator awareness training programs delivered</p>

Site Performance Indicators: Ulaanbulag Mine

Sustainability Accounting Standards Board (SASB)

SASB Standard	Title	Performance Indicators	2022 Performance	Comment
EMM-MM-110a.1	GHG Emissions	Gross Global Scope 1 Emissions	7,661t CO ₂ e	92% of total (scopes 1+2)
EM-MM-140a	Water Management	Total freshwater withdrawn	594k m ³	underground sources
		Total freshwater consumed	594k m ³	
		Incidents of non-compliance: water permits	0	
EM-MM-150a.4	Waste Management	Non-mineral waste	19.2 t	
EM-MM-150a.7		Hazardous waste	8.2 t	
EM-MM-150a.8		Hazardous waste recycled	9.1 t	Included waste from prior reporting period
EM-MM-160a.1	Biodiversity Impacts	Description of policies and practices	Yes	Site ESMP addresses biodiversity
		Sites with acid rock drainage	0	Net neutralizing material at Ulaanbulag
		Sites near protected areas or EN species	0%	No listed species found during baseline
EM-MM-210a.1	Security, Human Rights	Proven/Probable reserves in conflict areas	0%	
EM-MM-210a.2		Proven/Probable reserves on indigenous lands	0%	
EM-MM-210a.3		Discussion of engagement practices on conflict	Yes	HR policy, site security policies
EM-MM-210b.1	Community Relations	Discussion of process to manage risks	Yes	Site ESMP addresses community relations
		Number and duration of non-technical delays	0	

SASB Standard	Title	Performance Indicators	2022 Performance	Comment
EM-MM-310a.1	Labor Relations	Workforce under union agreements	36%	
		Number and duration of strikes and lockouts	0	
EM-MM-320a.1	Health and Safety	Rates per 200k hours; permanent and contract	0	No reportable incidents at Ulaanbulag
		Fatality rates	0	Zero fatalities in the reporting period
		Average safety training-employees/contractors	3.2	
EM-MM-510a.1	Ethics & Transparency	Description of management system for prevention of corruption and bribery		Code of Business Conduct and Ethics Anti-Fraud Policy Anti-Money Laundering Policy Anti-Bribery, Anti-Corruption Policy Site policies and procedures
EM-MM-510a.2		Production in countries having 20 lowest rankings in Transparency Int'l index	0	
EM-MM-540a.1	Tailings Management	Inventory table/u	NA	All Ulaanbulag ores are processed at the Boroo site
		Summary of management systems		
		Emergency preparedness		
EM-MM-000-A	Production	Production of finished metal products	43,194 oz Au	Metal from Ulaanbulag only.
EM-MM-000.B	Workforce	Total number of employees	246	
		Percentage who are contractors	7%	

Stakeholder Engagement in Haul Road Expansion

Since the initiation of Ulaanbulag mine operations in 2019 with use of the ore haulage road, local herders have expressed concerns about dust. There are several reasons why these dust problems have arisen. Mongolia is located within an extreme continental climate zone, with long, cold winters, windy dry spring seasons and very short summers. Dust storms are common and are increasing in frequency and duration, with stronger winds generating more dust, especially during the spring season. Boroo LLC operations on the ore haul road are a specific source of dust under these challenging environmental conditions. The valley through which the haul road passes can experience suspended dust for long periods during still, windless conditions. Recognizing this problem, we implemented several activities to mitigate haul road dust, including regularly watering the road. However, due to the dry weather conditions, dust problems can reappear even after regular watering.

In response to these conditions and the community grievances, the Ulaanbulag environmental, media and community relations departments organized visits to local families of the Bayangol and Mandal districts who are residing within the affected areas. Meetings were held on multiple occasions over the March-June 2022 period, during which information was presented on our ongoing dust monitoring and other environmental protection activities. Through these interactions we developed a monthly action plan scheduled through the year that aimed to maintain a positive relationship with the local community by presenting the company's activities to reduce dust and its impact.

The plan regularly collects local feedback and implements activities in response to complaints. The action plan is implemented by the departments plus relevant operational areas. A detailed survey of the herders who live near the Ulaanbulag mine site and alongside the ore haulage route was also conducted to refine our understanding of the situation and to improve the action plan.

The study was conducted in three districts - Bayangol and Mandal districts of Selenge province, and Bornuur district of Tuv province. The survey, which identified 106 herder families, indicated that a number of them, including children, reside in the area affected by dust. The study identified the problems they face, and possible ways to cooperate with them on resolution. The study also identified livestock numbers.

Within the study group, 35 herder families from three districts - including 17 herders from Mandal district, 9 herders from Bayangol district, and 9 herders from Bornuur district - live very close to the ore haulage road. Of the total of 115 people in these families, 46 are children. Based on results of the survey, we were able to structure the timing of visits to coincide with seasonal movements through the area as part of livestock herding.

In response to the community feedback, the environmental department carried out an evaluation of dust suppression measures, including mapping of dust dispersion as a function of road watering volumes and frequency. Based on management review of study results, the capacity and numbers of the irrigation trucks was increased by purchase of 1 truck with a capacity of 25 tons and rental of another of 20-ton capacity, bringing the size of the irrigation truck fleet to five. Regular monitoring continues according to the action plan.

As a result of taking the above measures, the dust generation and dispersion along the ore transport road has decreased and according to monitoring results, now meets permissible levels in relevant standards. Of greatest importance however, is the outcome that there have been no more dust-related grievances received from local residents.

Although the intent of the stakeholder engagement focused on dust, families raised questions about other aspects of the mine operations, such as tailings dam operation, reclamation programs and the use of other roads. This allowed us to respond with information and understand better where sensitivities to our operations might occur.

Ulaanbulag Establishes Tree Nursery



Forests and their management can be a key aspect in the responsible management of mining and mineral processing impacts to the environment. Where greenfield sites are developed in mining, the removal of tree cover can be associated with impacts to habitats, biodiversity and livelihoods that will trigger mitigation requirements. As forests are also important for carbon storage on a global scale, their removal also carries implications for the industry's responsibilities around climate change. Good practice frameworks such as those as found in the Risk Readiness Assessment of the Responsible Mining Institute, or the Sustainability Accounting Standards Board include multiple references of relevance to the subject of forestry and its associated topics of mine impacts to biodiversity and from greenhouse gas emissions.

Boroo Gold uses these good practice frameworks in benchmarking environmental performance at our mining sites. Development of appropriate mitigation measures, and participation in voluntary programs aimed at forest conservation by these sites are actions aligned with these frameworks, and are approved by senior leadership.

In 2021 Mongolian President initiated a "One Billion Tree" national movement with the purpose to fight against desertification, land degradation and climate change, calling on all economic entities to join the movement. Boroo Gold already has several years of experience in reclamation and forestry. It has established several tree nurseries at its mine site since 2007, grown seedlings and saplings and transplanted over 50,000 deciduous and coniferous trees and bushes over a 50 hectare reclaimed area.

Boroo Gold joined the national movement in 2021 and implemented a program to grow and protect 3 million trees until 2030 for the purposes of forestation and reclamation. This contribution has been recognised and certified by the Minister of Nature, Environment and Tourism. The program involves establishment of a tree nursery at the Ulaanbulag mine site.

The objectives of the program are to promote natural forest restoration, reclamation of degraded forests, and re-forestation at the operation site. Other forestry activities in the program include external landscaping and establishing wind protection strips. Furthermore, the establishment of tree nurseries using mine site infrastructure and facilities will be used to help increase the supply of seedlings and saplings to achieve the goals of the national program throughout the country.

Current progress in establishing an Ulaanbulag tree nursery follows the regulatory Standard for the selection of tree nursery locations and technical requirements. A detailed study was conducted on the area to establish the tree nursery site, a plan was developed and vetted, and the location was selected next to the Ulaanbulag gold mine in the territory of Bornuur district of Tuv province

The areas for greenhouses, warehouse and seed nursing were prepared according to the nursery plan and structure. Outdoor areas were prepared for planting seeds with plowing, clearing of roots and rocks, topsoil spreading and preparation of the area by cultivator equipment.

A total of seven plastic greenhouses were assembled and made ready for use at the Ulaanbulag tree nursery, including sprinkler systems. In the first year, three types of coniferous trees and 3 types of coniferous trees will be grown in the greenhouses, and 9 types of deciduous trees will be grown outdoors.

During 2022, 121,000 deciduous tree seedlings will be planted from the nursery. In 2023, the nursery will supply 112,900 coniferous tree seedlings and 485,000 deciduous tree seedlings. The nursery activities will become continuous in the spring of 2024, annually supplying a similar quantity of coniferous and deciduous tree seedlings as well as 15,000 seedlings of decorative trees and bushes for gardening and landscaping purpose. Fruit and berry trees will also be supplied, with plans for 9,600 seedlings with five varieties for household businesses.

Collaboration with Mongolian Academy of Sciences

The Mongolian law on the Protection of Cultural Heritage states that ***'if any physical cultural heritage is found during land ownership or excavation, the owner should cease its operation and report to the governor of local district police and relevant authority immediately'***.

Accordingly, we are obliged to report any findings during construction or operations to relevant organizations and to initiate the required recovery measures.

In 2015, group of scientists from the national Institute of History and Archeology of Mongolian Academy of Sciences (MAS) carried out archaeological surveys in the area of the main gold deposit of the Ulaanbulag site. In its official conclusion, MAS stated that during the Archeological survey work, seven historical artefacts were discovered, including six Bronze Age burial artefacts and one 'sacrificial structure'.

According to legal requirements, any cases of historical artefacts within the area to be disturbed by earthworks and/or other factors should be reported. Subsequently, professional excavation research and conservation measures should be carried out. In this case, excavation and recovery were conducted. The seven artefacts discovered were delivered to the Historic and Archeological Institute for further analysis. We were then allowed to operate our Ulaanbulag operation in that area, with the ongoing proviso that any additional findings would be reported.

Mongolia is considered a 'hotspot' for paleontology research, with particular regard to dinosaurs. Paleontological resources are therefore accorded status under national law on par with cultural resources. When mining at Ulaanbulag was restarted in 2021, paleontological artefacts were found in the soil layer, and notification was provided immediately to the Paleontology Institute of the MAS. Under terms of an agreement reached with this entity excavation and recovery was initiated. The remains were recovered and identified as those of a 'Woolly Rhinoceros', a member of the Pleistocene Megafauna. On the conclusion of this work we were permitted to continue operations with the ongoing obligation to report any additional findings to the institute.

Under terms of an overarching agreement with the Paleontology Institute the following activities are included in our site environmental management plan for 2021.

- Our internal procedure on "Historic and cultural immovable and movable heritages" was updated and approved by the company management and the Institute of Historic and archeology of MAS.
- The approved procedure was introduced to all Boroo and contractor employees through induction and ongoing environmental general and refresher training.

In 2021, a total of 120 Boroo and contractor company employees who work at the Ulaanbulag site undertook general environmental training in which this procedure was introduced.

At the time of this report, there have been no more archeological or paleontological findings discovered within the mine operating areas. However, our collaboration with the Mongolian Academy of Sciences has enhanced our understanding of the value that mining can bring to paleontological and archaeological research and improved our ability to bring some of that value to historical sciences.

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.



BOROO PTE LTD

12 Marina View, #23-09,
Asia Square Tower 2,
Singapore 018961

www.boroomc.com.sg