

Aura Minerals

Sustainability Update: Public material

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1 About this document

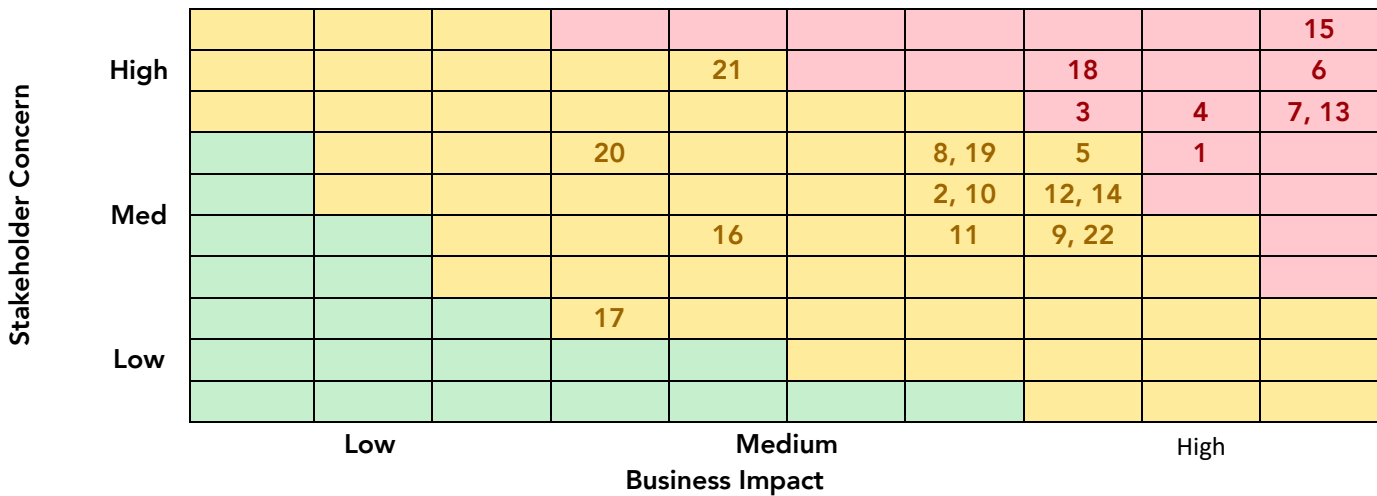
This sustainability update highlights Aura’s sustainability and corporate responsibility activities and performance in 2016, focusing on economic contributions, health and safety, and social and environmental responsibility. Performance data from Aura’s San Andrés, São Francisco and Ernesto/Pau-a-Pique (EPP) operations in Honduras and Brazil, along with financial and human resources data from corporate head office is included.

This update followed the Global Reporting Index (GRI) guidelines where possible to organize and present data; however, this is not considered a GRI compliant report and has not been audited.

2 Material issues

Sustainability impacts and risks most relevant to Aura’s operations were identified and prioritized by Aura’s leadership team.

2.1 MATERIALITY MATRIX



Categories	Issue	Issue Name
Creating economic value	1	Economic performance and contributions (taxes, royalties and salaries paid)
	2	Local suppliers
	3	Transparency (of where funds are directed and how they are used)
Investing in our people	4	Employee attraction
	5	Employee development (training, leadership, benefits, etc.)
Embedding health and safety	6	Workplace accidents
	7	Health and safety culture
Strengthening communities	8	Employment opportunities
	9	Education and training (skills development, child education)
	10	Local infrastructure
	11	Community access to healthcare
	12	Local livelihoods (local economic development- mining and otherwise related)
	13	Community relations and collaborative conflict resolution

Respecting the environment	14	Air quality
	15	Water contamination
	16	Water consumption
	17	Waste Management (liquid and solid waste, hazardous waste, treatment)
	18	Dam safety
	19	Deforestation
	20	Ground movement (from blasting)
	21	Soil erosion and contamination
	22	Reclamation and closure planning

3 Data

3.1 GOVERNANCE

Aura Minerals is guided by its Code of Business Conduct and Ethics, which outlines a commitment to its people, the environment, and its communities.

Relevant Policies

- (1) Code of Business Conduct and Ethics (last updated 2013)
- (2) Environmental Policy (last updated 2009, updated draft 2017)
- (3) Occupational Health and Safety (last updated 2013)
- (4) Human Rights Policy (drafted 2017)

3.2 CERTIFICATIONS AND CODES

Certification	Mine	Achieved	Planned
OHSAS 1800	São Francisco	2013	
	San Andrés		2017-18
ISO 14001	São Francisco	2013	
	San Andrés		2018-19
ISO 26000 (Community relations)	San Andrés		2017-18
Cyanide Code	San Andrés	2014	
TSM Sustainable Tailings	All operating	2017 Gap Assessment completed	

3.3 CREATING ECONOMIC VALUE

Material issue: Economic performance and contributions (taxes, royalties and salaries paid)

Without economic sustainability, Aura is unable to contribute financially to the wellbeing of local and regional communities through job creation and payments to government in the form of taxes and royalties.

In some cases, Aura is the primary employer and driver of local economic growth. Wherever possible, Aura seeks to work with local, regional or national suppliers to support livelihoods and contribute to the local economy.

Aura recognizes that its success is tied closely to the economic wellbeing of the local community and strives to contribute positively to local economic development through employment, procurement and community investment activities.

Material issue: Transparency (of where funds are directed and how they are used)

Aura faces on-going challenges, including scrutiny from local communities and civil society organizations regarding its contributions to community.

There is a lack of understanding by affected communities regarding both the level of economic contribution, its application and impact.

Aura continues to work with local government, community members, and non-profit organizations to find mutually beneficial solutions to community needs through negotiated agreements, community investment programs and platforms such as the *mesa de dialogo* in Honduras (see case study).

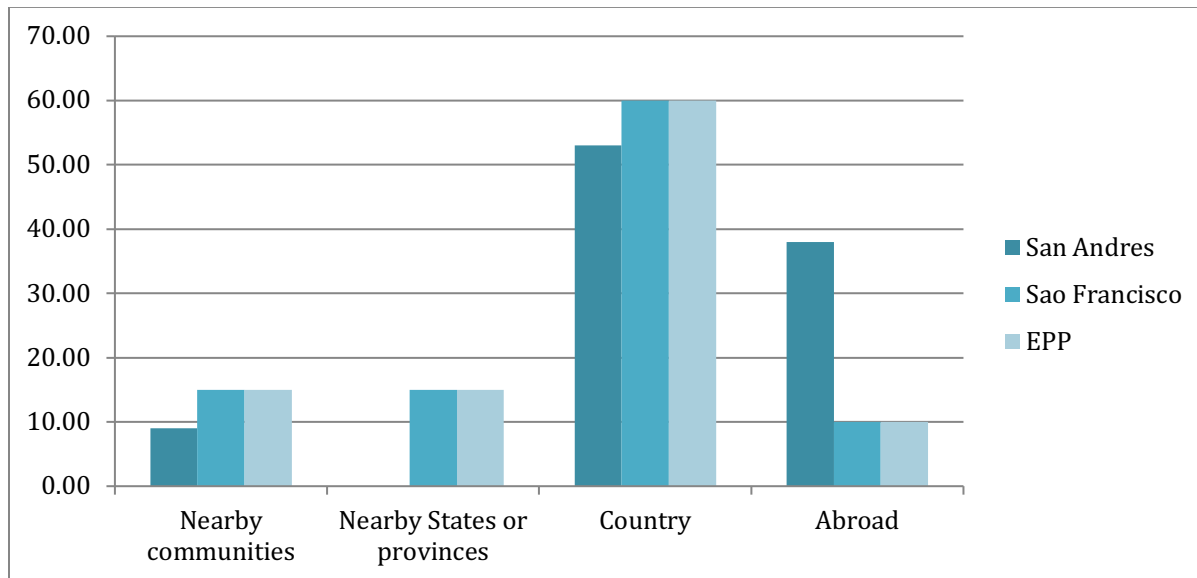
Community Investment 2016

Expressed in USD (000s)

San Andrés	1,215
São Francisco	270
EPP	0
Total	1,485

Suppliers by origin

Expressed as a percentage of procurement spend



3.4 INVESTING IN OUR PEOPLE

3.4.1 Employment/Workforce

Material issue: Employee attraction

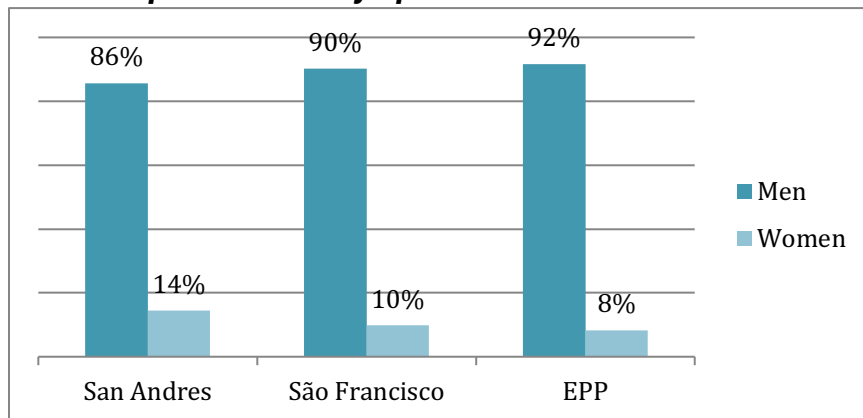
Aura seeks to hire locally as much as possible so that the economic benefit of operations remains in community; however, the company does face some challenges in finding appropriately skilled labour in the area due to low levels of educational attainment and lack of technical training.

There are also regional challenges associated with various social and economic issues where Aura may have little influence, such as the long-term effects of poverty on a community.

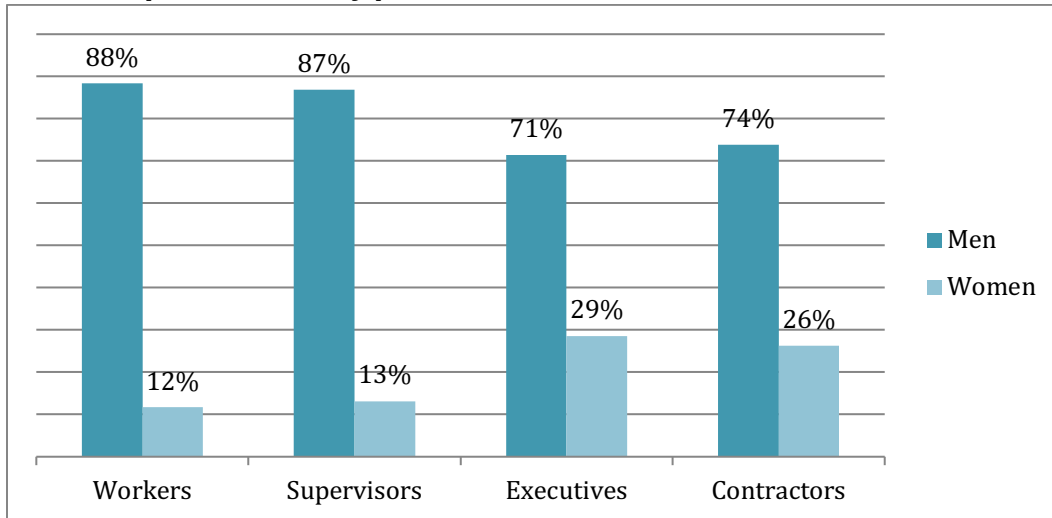
Aura is committed to providing fair and equitable pay, a safe and respectful workplace, and training and leadership development.

At EPP, local hiring practices resulted in over 300 new hires in an area of significant poverty and unemployment.

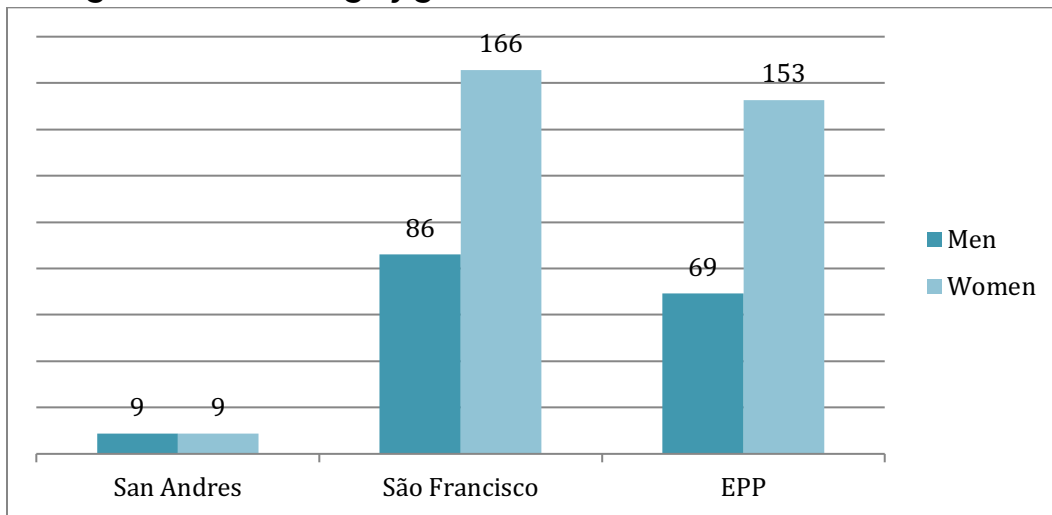
Gender representation by operation



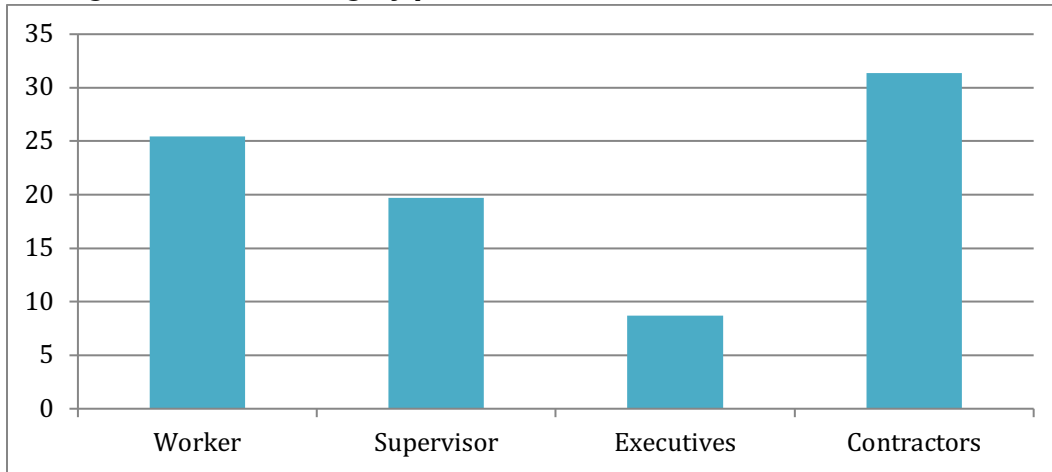
Gender representation by position



Average hours of training by gender

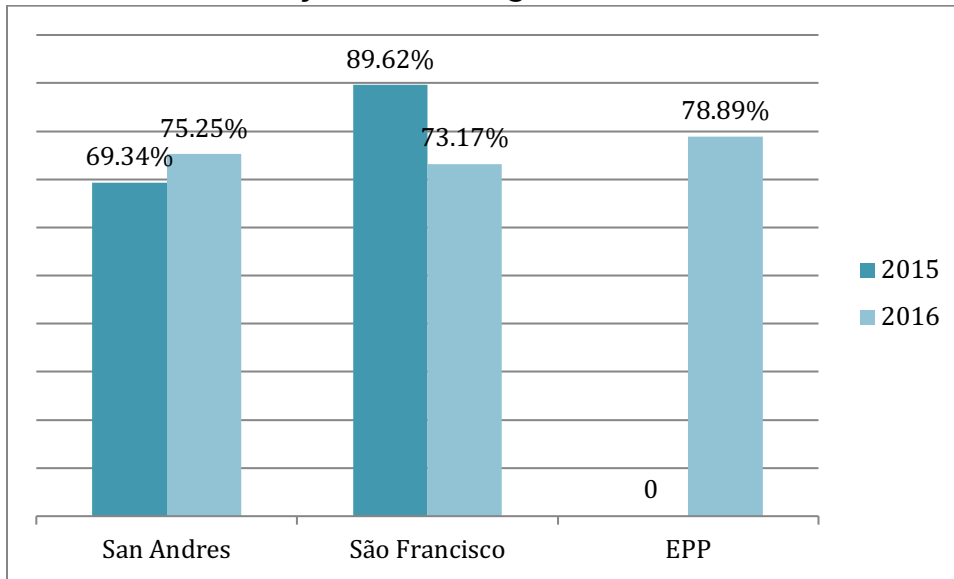


Average hours of training by position



3.4.2 Labour relations

Workforce covered by a collective agreement



3.4.3 Embedding health & safety

Material issue: Workplace accidents

Aura is guided by its Occupational Health and Safety policy and committed to preventing all workplace accidents and illnesses. Aura continues to work to achieve its goal of being a zero-accident company.

Across the organization, every employee is encouraged to take personal responsibility for safe practices and empowered to share observations and make recommendations to support the company in achieving its goal.

Aura is proud of its health and safety record, reporting zero fatalities in 2016.

Material issue: Health and safety culture

All of Aura Minerals' operations have training, counselling and prevention programs in place to further educate our employees, their families and community members about occupational health related concerns and serious diseases.

Aura is proud of its health and safety culture and prioritizes safe operations for all of its employees, contractors and suppliers. Through its Integrated Mine Management system, Aura has identified new ways to advance health and safety practices and continue to strengthen a culture of safety within the organization.

3.5 STRENGTHENING COMMUNITIES

Material issue: Community relations and collaborative conflict resolution

Aura believes that the balance of impacts to communities should weigh to the positive and that in the final analysis, communities should benefit from our activities.

Aura seeks to earn and maintain social license to operate through open and on-going consultation and engagement, information disclosure, and community investment.

Aura's approach to working with communities is primarily by negotiating agreements outlining how both parties will work together and achieve mutual benefits as a result of project development. Additional support through community investment activities is provided on a case-by-case basis.

The goal for 2017, articulated by Aura leadership through the materiality assessment process, is zero community protests at San Andrés.

San Andrés approach and initiatives

- 1- Daily communication with local leadership and volunteers
- 2- Volunteers of Oronato: Single mothers economically active in the community are granted monthly stipends for community work
- 3- Senior food program: monthly delivery of food baskets to seniors in need
- 4- Healthcare/medical provisions in area of operation free to community members
- 5- Financial support to educators in the region benefitting a total of 320 students

São Francisco approach and initiatives

- 1- Survey of community to gauge satisfaction with Aura's project
- 2- Monthly visits to key communities
- 3- Regular communication via email with community members
- 4- Talks and community visits to share information and answer questions about the project
- 5- Provision of opportunities for training/knowledge exchange with communities on issues of shared interest with the objective of building capacity in the community to participate meaningfully in development

3.5.1 Artisanal and small-scale mining (ASM)

EPP has experienced challenges associated with illegal ASM mining in 2017 and is working with local authorities to manage safety and other risks associated with the practice.

An agreement has been reached with the federal government in Brazil to fast track a permit to mine the area in order to prevent illegal activity on the property and to facilitate appropriate reclamation activities. However, at the date of writing, the permit has not been received.

3.6 RESPECTING THE ENVIRONMENT

Material issue: Water contamination

Aura recognizes the inherent value of water as an important part of the ecosystem

All planned and unplanned discharges of water were diverted through water treatment facilities.

Aura is currently exploring the possibility of a rainfall diversion project at San Andrés. The short-term goal (2017) is to assess the feasibility and cost of implementation. This project presents the potential to divert water away from 20% of a total of 1.1 million square metres of project area, preventing contamination.

Aura leadership sees a need to improve community understanding of Aura's impacts on water quality vs. the effects of natural occurrences.

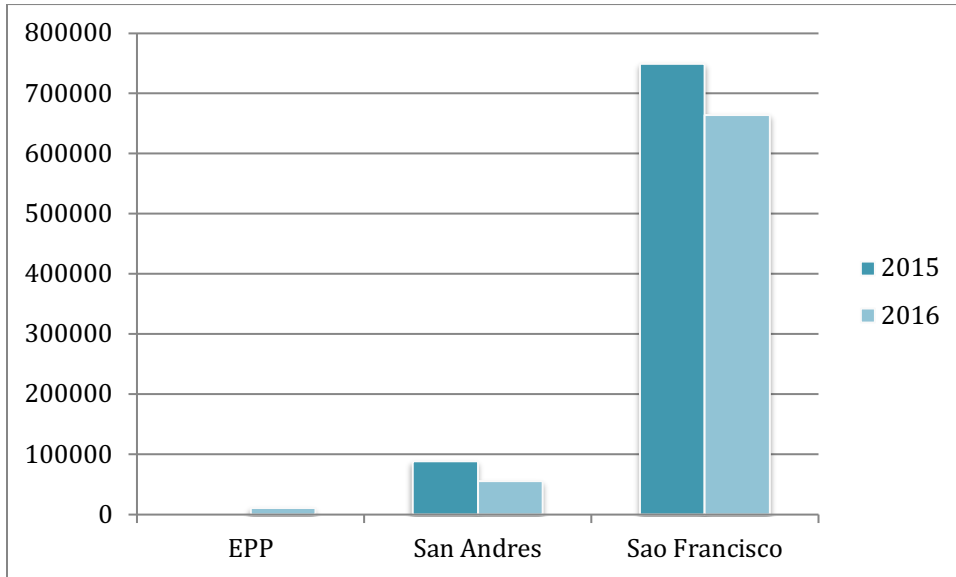
Material issue: Dam safety

Aura plans to complete a gap analysis in anticipation of implementing the Mining Association of Canada's Towards Sustainable Mining (TSM) tailings management standard.

3.6.1 Water

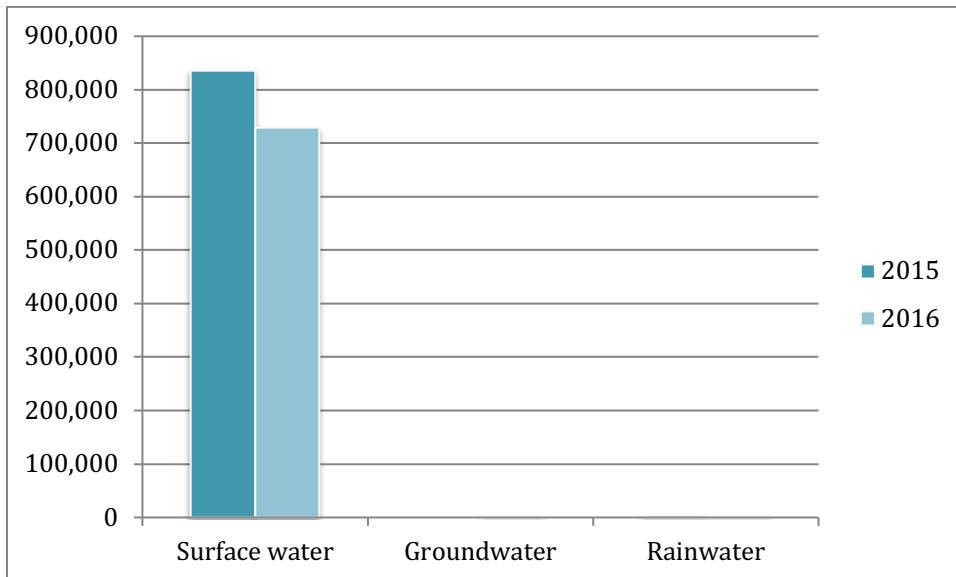
Total Water Usage

Expressed in cubic metres/year



Water withdrawal by source

Expressed in cubic metres/year



3.6.2 Waste

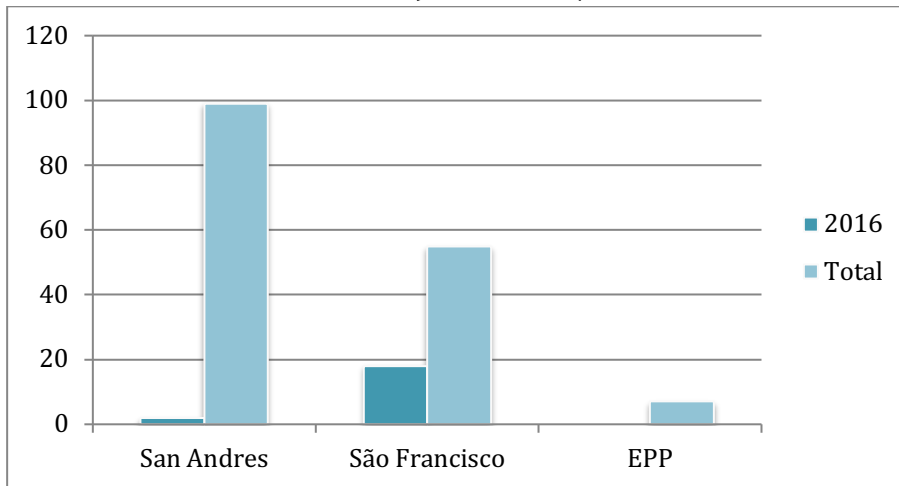
San Andrés operates a zero-emissions incinerator for industrial waste including packaging material for sodium cyanide per the International Cyanide Management code.

3.6.3 Emissions

In 2015, San Andrés connected to the national electricity grid resulting in a switch from diesel-generated electricity to predominantly hydropower and a significant reduction in CO2 footprint as well as in operating costs.

3.6.4 Reclamation

Amount of land rehabilitated (in hectares)



4 Site profiles

4.1 ARANZAZU

Located in Zacatecas region of Mexico, between the cities of Saltillo and Zacatecas, Aranzazu mine neighbours the town of Concepción del Oro. Aura Minerals acquired the mine, a producer of copper and gold concentrate, in 2008. The open-pit mine was expanded between 2009 and 2011, and remained operational from 2012 to 2014. The transition from open-pit to underground mining was semi-completed in 2014.

Aranzazu has been in a state of care and maintenance since January 2015 due to financial challenges related to overstaffing, lack of geotechnical data integration into the mine plan, and deficient cost management, among other issues. During this time, all social and environmental programs were suspended, however on-site staff maintains regular communication with local communities and government. Given the mine was an essential source of employment for the town of Concepción del Oro, Aranzazu supported many employees to transition to other mines, while others have found work in the manufacturing industry in the region.

While no further drilling has been completed since 2015, dewatering and rehabilitation activities took place in 2016. The underground mine is fully rehabilitated and all surface equipment and facilities are functional, with valid permits and licenses.

A feasibility study is currently being performed which will integrate social and environmental considerations. The goal is to determine the feasibility of restarting operations by the end of 2017.

Aura is committed to addressing key social and environmental impacts including:

- Attracting skilled staff to meet Aura's needs while balancing local requirements for direct and indirect employment
- Ensuring regular communication with impacted communities through the potential transition from care and maintenance in 2018, to maintain the positive relations that Aura has developed
- Optimization of in-situ water recovery and redesign of the fresh and reclaimed water system to eliminate mixing
- Construction of a new power line to ensure optimum electrical access for the town of Concepción del Oro
- Ongoing work to improve the dam safety factor of tailings dam TD4 per Canadian Dam Association Standards prior to transition from care and maintenance

4.2 SERROTE

Aura Minerals purchased the Brazilian copper-gold-iron Serrote da Laje project in 2007, and focused on exploration activities until 2010. In 2008 the company completed an environmental baseline study and environmental permits were renewed every two years following. In 2012 Aura completed the definitive feasibility study including all environmental matters and developed a community impact management plan.

In 2013, Aura acquired several private properties through agreements with families of 12 communities, following a resettlement plan developed by third party experts. Properties were purchased at fair market rates. Engagement with impacted communities included: developing a multi-stakeholder committee, committing to provide technical support for improving agricultural techniques, establishing a greenbelt reforestation program, and supporting educational programming for youth.

Since 2013 the mine has been in a state of care and maintenance. Aura continues to have a presence in the community, both through monitoring activities, and by supporting social and environmental programs as a demonstration of the company's ongoing commitment. In January 2017, an updated feasibility study was initiated and the company is currently seeking financing to start construction in 2018.

Social and environmental impact highlights

- Ongoing monitoring and management of environmental and social impacts, including systems and programs for managing waste, water quality and consumption, and air quality
- Environmental programs for recycling, water treatment, land rehabilitation, fauna and flora monitoring and protection
- Social programs providing local employment training, established and maintaining regular communication with communities, and ongoing community engagement activities
- 70% completion of planned community resettlement and the creation of a farmers association for resettled families
- Supporting local economic development through an aviculture project that provides improved facilities and capacity building for farmers for more productive chicken farming
- Archaeological monitoring program to ensure sites of historical and cultural significance are protected

Future sustainability goals

- ISO 14001 and OHSAS 18001 certifications when the mine is operational

5 Employee profiles

5.1 MARIO ESPAÑA, COMMUNITY RELATIONS SUPERINTENDENT

Mario España has been a member of the Community Relations team at San Andrés mine for 7 years. During that time, he has demonstrated passion and skill for liaising between affected communities, local organizations, NGOs and government. Having grown up in one of the communities impacted by the mine, Mario has brought a deep understanding of Aura's local operating context into his work. This has supported him in building strong and trusting relationships, which can be challenging at San Andrés where diverse communities bring many different interests and expectations to the table. Mario works strategically to navigate these interests to align business and community goals and support long-term sustainability and progress. He has found a niche in building such relationships through negotiated agreements. The process of negotiating long-term agreements has required extensive community consultation and engagement, transparency, consistency of actions, and effective communication. Aura recognizes Mario's achievements in supporting these efforts.

5.2 WILMAN RENAN MELGAR, MAINTENENCE MANAGEMENT SYSTEMS COORDINATOR

Wilman Renan Melgar understands better than most the importance of continuous improvement. Since 2009, he has demonstrated leadership in the implementation of San Andrés mine's Maintenance Management System. His efforts have contributed to the reduction of maintenance stoppages, lower maintenance costs, and improvements in the productivity and reliability of the equipment. "To achieve our goals, building the capacity of our employees in various areas related to maintenance is crucial as we transform our practices step-by-step," explains Wilman. His attention to detail and focus on planning is noticeable beyond the mine's warehouse, influencing other departments and teams and contributing to a continuous improvement mind-set and culture.

5.3 JULIÁN GARCÍA, FOREMAN

Julián García's dedication to conservation is imprinted on every tree of San Andrés mine's reforestation and environmental rehabilitation initiatives. Known by his peers as the "forest artisan," Julián is one of San Andrés mine's most loyal team members having spent the last twenty years collecting, propagating, and preserving native flora. He demonstrates an unrelenting commitment to and focus on the conservation cycle: stimulating the rejuvenation of local ecosystems and biodiversity to its original state before the presence of mining activities. Julián's knowledge and dedication to his craft inspires new generations of environmental sustainability professionals working at the mine.

5.4 PEDRO ALVARENGA, ADMINISTRATOR

Pedro Alvarenga has translated his systems engineering background into building a stronger health and safety workplace culture at San Andrés mine. Through his leadership in implementing the mine's Integrated Management System he bridges systems with practice by providing organized and objective ways to achieve health and safety goals, improving work conditions, preventing accidents and contributing to the mine's excellent health and safety record. His professionalism and his passion for advancing health and safety initiatives have made Pedro a valued and integral part of driving Aura's preventative approach to creating a safe and healthy workplace.

6 Case studies

6.1 *MESA DE DIALOGO* SAN ANDRÉS

The challenge

When Aura Minerals acquired San Andrés mine in 2009, the company inherited a complex relationship with locally affected communities and government. Expectations were high and trust was low due to inconsistent corporate communication, engagement, and actions. This, in combination with strong metal prices, provided the impetus to commit to significant investments in 2012 via negotiated agreements with communities. Agreements include commitments to finance education and health infrastructure and programming, construction of a new community settlement in exchange for relocation of a local cemetery on the mining concession, and support for sporting, cultural and other infrastructure projects.

Honduras can be regarded as a challenging operating environment given high levels of poverty and limited governance capacity at the national, regional and local levels. Royalty payments from industry are intended to address basic development needs; however, the local benefits of these payments are not generally visible in affected communities where systemic, multi-generational poverty and its consequences represent a significant barrier.

Aura initially approached social investment and stakeholder engagement efforts organically, responding to community and government-identified needs as, and when, they arose. As the company gained a better understanding of the complexity of the local operating context, it built a stronger community relations team and developed a strategic approach to investment that aimed to better meet the long-term needs of surrounding communities.

Following a social baseline assessment, conducted by Honduran community development specialists, Aura developed a revised community investment strategy designed to respond to the identified community needs it was best positioned to influence. This meant a shift away from short-term thinking and more transactional investments. The metals market crash in 2014 provided further motivation for Aura to re-think its community investments and initiate a series of re-negotiations with communities and local government.

Relationships were strained, negotiations stalled and some community members were protesting; thus, Aura looked to officials within the national government as well as the national human rights institution to support collaborative resolution in order to demonstrate transparency and rebuild trust. However, they lacked a framework or platform for communication and dispute resolution.

The approach

Aura sought collaboration with relevant ministries within the national government to identify possible avenues for resolution. Given the nature and complexity of the situation, the National System of Risk Management in Honduras opted to create a multi-stakeholder national government working group, reporting directly to the Presidency of Honduras, to analyze the issues that had resulted in conflict at Aura's operation and to identify a vehicle for resolution.

The group held two meetings in the Honduran capital, Tegucigalpa, along with several local meetings near San Andrés mine operations. Through consultation and analysis of the issues, it was agreed that a *mesa de dialogo* or roundtable-working group would be established to bring together all impacted parties and explore ways to resolve conflict and build trust collaboratively.

The *mesa de dialogo* was formally established in May 2016. Its objectives are to ensure that all parties complete their responsibilities outlined in the 2012 agreement and to design an equitable and transparent way to identify, communicate and resolve disputes while respecting the rights of all. The *mesa de dialogo* includes: national government departments of governance, justice, human rights, labor, health, emergency preparedness, police, military, environmental and mining, the regional governor and local mayor, the local community patronage of the impacted community, an environmental committee formed by the community, and representatives of the company. Each member is responsible for their own costs, the local government provides meeting space and covers basic costs (such as lunch for members), and local government officials chair the meetings.

The results

Trust comes from transparent and honest communication, integrity and reliability. Overcoming power imbalances between government, companies and communities and reconciling past mistakes can make achieving trust and resolving conflict extremely difficult.

The *mesa de dialogo* faced a number of challenges itself. First, each party needed to recognize and respect the interests and needs of the others, and recognize their right to a fair and equal place at the table. Second, it had to establish clear rules, procedures, roles and responsibilities that would support effective dialogue and contribute to progress on previously unresolved issues. Possibly the biggest challenge was in recognizing that the role of the *mesa de dialogo* was not to eliminate all future conflict, but rather to build relationships through communication and provide a platform for constructive and collaborative resolution when conflicts do arise.

One approach that has led to tangible progress has been to outline possible paths for resolution of issues while defining the roles and responsibilities of each member of the working group in achieving this objective. Member positions have been defined such as president, secretary and other key roles, and a schedule of monthly meetings established with

clear agendas including providing regular progress reports. The working group has resolved to continue working this way until completion of the addendum to the 2012 agreement has been reached and the cemetery has been moved. This consistency in structure has increased the effectiveness and efficiency of meetings. In the future, a wider-scope is planned to discuss all community related social and environmental issues.

Some of the good practices that have led to building stronger relationships and more transparent communication between stakeholders over the past year include:

- Limiting participation in the working group meetings to those materially impacted by the issues being resolved. This has allowed for more focused discussions and improved meeting productivity.
- Establishing clear rules of engagement and communication during meetings, mutually building capacity for collaborative conflict resolution, negotiation and equitable decision-making. This included developing a mutual understanding of human rights and how to respect them.
- Separating out the various interrelated but distinctive issues that are causing conflict and dedicating specific meetings to address each issue. This has also served to dispel myths and inaccuracies among parties to ensure all representatives have accurate information they can communicate to their respective stakeholder group.
- Acknowledging the diversity of interests and needs and that not all discussions would/will result in ideal resolutions.
- Creating a system of checks and balances through clearly defined roles, rules and procedures to ensure legitimacy and transparency.
- A commitment and strong, impartial mediation from the national government.

Some of the ongoing challenges faced include:

- Given the speed at which parties wished to resolve disputes, no formal training on collaborative conflict resolution or negotiation was provided. This has been identified as an area for improvement going forward. Mediation on the part of the government was important to fill this capacity gap.
- Finding common ground on some of the deeper issues where there has been a near complete breakdown of trust has been compounded by poor organization during some meetings. Stalemates occur and resolution is difficult to achieve. Agreeing on meeting agendas and following a consistent approach has been challenging given the diversity of interests represented.
- Finding new strategies and avenues to resolve repeatedly challenging conflicts and having a direction to advance discussions is a slow process. Recognizing and acknowledging that building trust takes time, hard work and demonstrated action. Expectations of swift resolution on the part of all parties must be managed.

Moving forward, building legacy

While the working group was established to resolve specific disputes related to agreements on Aura's responsibility for community investment, participants have recognized the value of the platform to serve as a consistent, transparent and accessible communication channel and confliction resolution mechanism. To that end, there is current discussion on evolving the group's mandate to fulfill this objective indefinitely. A challenge will remain in respecting the scope, boundary and capacity of the platform to fulfill this role, while also maintaining the level of momentum and engagement of its members.

In addition to acting as a channel for identifying and addressing grievances and a space for transparent communication, it has also served to ensure compliance of all parties on the agreements made. Further, the *mesa de dialogo* has served as a tool to monitor Aura's social and environmental performance for both the government and communities. It provides a way to increase trust through transparency given external stakeholders are directly involved in monitoring and evaluating Aura's fulfillment of commitments.

There was some initial concern about the platform; however, since the formalization of the *mesa de dialogo*, no further community protests have taken place, demonstrating the legitimacy of the platform by all parties, and affected communities in particular.

Moving forward, Aura recognizes the need to build a stronger and more consistent approach to engagement with communities, and link its community investment strategy to this approach. The Company sees the *mesa de dialogo* as an early alert system, assessing the strength of the corporate relationship with impacted communities in order to address conflicts before they arise or escalate. The national government has recognized the importance of maintaining ongoing involvement and active engagement and has also recognized the progress made via such a mechanism, stating its intention to replicate this model in other regions of the country where similar challenges exist between companies and communities. Communities have gained capacity to negotiate more effectively with the company and have their voices heard by government while learning techniques to improve governance within their own communities.

6.2 RECLAMATION AT SÃO FRANCISCO

The challenge

Aura is committed to the rehabilitation and reclamation of land disturbed in the mining process. Topography, soil composition and the deposits associated with mine production can

all present unique challenges in finding environmentally sensitive and cost effective ways to re-vegetate disturbed areas.

At São Francisco mine located in western Mato Grosso State, Brazil, re-vegetation plans have typically relied heavily on hydroseeding – a process where seeds, chemical fertilizers, essential micro-elements, organic matter rich in nitrogen compounds, and mulch are combined to form a slurry that is sprayed on areas where re-vegetation is desired. All products are biodegradable and leave no residue in the soil or water.

Generally, the hydroseeding slurry contains exotic species that are different from native species of the area. This can carry the risk of potential detrimental impacts to biodiversity through competition, genetic effects, and the inadvertent introduction of invasive species, as well as the potential for extinction of any species unable to thrive in the local ecosystem. Additionally, this process is expensive and increases the costs of rehabilitation programs.

The rehabilitation of São Francisco’s disturbed areas is difficult, as it requires some planting in barren deposit areas, composed of rocks of varying sizes that have been removed from the mine, representing a challenging environment for growth.

The approach

Recognizing the need to protect and nurture native species of vegetation, São Francisco established a nursery for the production of *cerrado* seedlings (unique vegetation of the Brazilian interior). Seeds are collected in areas adjacent to the mine and then planted in the nursery, producing on average 20,000 seedlings per year.

The mine has established the Plan for the Rehabilitation of Degraded Areas (PRAD), which aims to establish practical, corrective and preventive measures that minimize the environmental problems generated by the implementation of the São Francisco Mine Project.

One specific objective of the PRAD is to find a method of re-vegetation for barren deposits, using native and fruit-bearing seedlings that will replicate the native landscape and integrate with the region's original landscape. The desired impact is to attract fauna while simultaneously reducing the cost per hectare of planted area.

To date, the mine has successfully conducted three pilot projects:

1. Planting native seedlings
2. Planting grasses, legumes, and seeds of native species
3. Planting native seedlings, grasses, and legumes

The results

The pilot projects revealed that, in fact, planting seedlings alone or with other grasses and legumes is more effective than using seeds. Both projects 1 and 3 performed well, demonstrating improved mortality indexes, taking into consideration the aspects of the planted areas.

The closure plan of the São Francisco mine will now incorporate these findings, conducting the recovery of sterile deposit areas and leach piles using the seedling planting methods. This represents a cost reduction of approximately 284 USD per hectare planted compared to the hydroseeding method, which will only be used on slopes.

São Francisco mine has been recognized for these efforts, being awarded the 19th Excellence Award of the Brazilian Mining and Metallurgy Industry and plans are underway for replication at Aura's Ernesto/Pau-a-Pique project, also in Mato Grosso state.

7 Raw data

7.1 CREATING ECONOMIC VALUE

Economic value created 2016

Expressed in 000's USD

Revenue	146,209
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*Data extracted from Consolidated Financial Statements for the years ended Dec 31, 2016 and 2015

Economic value distributed 2016

Expressed in 000's USD

Operating costs (excluding salaries)	2,962
Employee wages and benefits	2,244
Capital expenditures	4,996
Income tax paid	9,673
Royalty payments	4,156

*Data extracted from Consolidated Financial Statements for the years ended Dec 31, 2016 and 2015

Approximate economic benefit to local communities

Expressed in 000's USD

	San Andrés		São Francisco		EPP	Total	
	2015	2016	2015	2016	2016	2015	2016
Community Investments	1,186	1,215	192	270	0	1,378	1,485
Indirect investments	0	340	0	0	0	0	340

Suppliers by origin

Expressed as a percentage of procurement spend

	San Andrés	São Francisco	EPP	Average
Nearby communities	9	15	15	13
Nearby states or provinces	0	15	15	10
In country	53	60	60	58
Abroad	38	10	10	19
Total	100	100	100	100

7.2 INVESTING IN OUR PEOPLE

Total Workforce by Employment Type, Employment contract, and region

	San Andrés		São Francisco		EPP		Total	
	M	W	M	W	M	W	M	W
Total number of employees	339	57	111	12	165	15	615	84
Permanent contract	248	50	ND*	ND	ND	ND	248	50
Temporary contract	91	7	ND	ND	ND	ND	91	7
Workers	289	47	101	11	154	14	544	72
Supervisors	45	8	10	1	11	1	66	10
Executives	5	2	0	0	0	0	5	2
Contractors	0	0	119	38	151	58	270	96
Honduras	331	57	0	0	0	0	331	57
Brazil	2	0	111	12	165	15	278	27
Mexico	2	0	0	0	0	0	2	0
Canada	0	0	0	0	0	0	0	0
Foreigners	4	0	0	0	0	0	4	0

*ND= No Data

Training and professional development

	San Andrés		São Francisco		EPP		Total	
	M	W	M	W	M	W	M	W
Total Hours of training received								
Workers	2518	409	4574	498	7029	653	14121	1560
Supervisors	392	70	453	46	488	48	1333	164
Executives	44	17	0	0	0	0	44	17
Contractors	0	0	4522	1444	3926	1589	8448	3033
Total	2954	496	9549	1988	11443	2290	23946	4774
Average by gender	9	9	86	166	69	153	55	109

Workforce covered by collective agreements

	San Andrés	São Francisco	EPP	Total
Total number of workers	298	90	142	530
% of workers	75.25%	73.17%	78.89%	75.77%

7.3 EMBEDDING HEALTH & SAFETY

Rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities by region.

	San Andrés		São Francisco		EPP		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
Number of lost days ¹	0	0	136	0	0	5	136	5
Number of absentee days	0	0	882	140	72	29	954	169
Number of accidents	0	0	13	0	3	1	16	1
Number of occupational diseases	0	0	0	0	0	0	0	0
Number of deaths	0	0	0	0	0	0	0	0

(1) Lost days are where the employee cannot return the next shift due to an injury

Frequency index rate under North American Standards¹

Based on 200,000 hours worked

	San Andrés		São Francisco		EPP	
	M	W	M	W	M	W
Frequency index (lost time accident rate)	0.00	0.00	0.12	0.00	0.02	0.07
Severity index*	0	0	10.46	0	0	5

*Average Number of days lost per accident

Frequency index rate under Latin American Standards²

Based on 1,000,000 hours worked

	San Andrés		São Francisco		EPP	
	M	W	M	W	M	W
Frequency index (lost time accident rate)	0.00	0.00	0.59	0.00	0.09	0.33

Number of employees that participate in health and safety committees

	San Andrés	São Francisco	EPP	Total
Number of employees that participate in committees	12	8	0	20
Percentage of employees represented	3.03%	6.50%	0	3.18%
Number of formal committees in place	1	1	0	2

¹ Calculations require verification

² Calculations require verification

7.4 STRENGTHENING COMMUNITIES

Number and value of closure plans

	San Andrés	São Francisco	EPP	Total
Closure plan	1	1	1	3
Financial allocation for closure plan (in millions USD)	11	12.1	6.1	29.2

7.5 RESPECTING THE ENVIRONMENT

Total Water Usage

Expressed in cubic metres/year

Location	2015	2016
EPP	0	11,120
San Andrés	88,197	55,585
São Francisco	748,926	664,306
Total	837,123	731,011

Water withdrawal by source

Expressed in cubic metres/year

Location	2015	2016
Surface water	835,138	729,252
Groundwater	0	104
Rainwater	1,985	1,655

Waste

San Andrés	2015	2016
Topsoil, waste rock, debris	4,345,948 tons	5,382,371 tons

No data for EPP, SF

Direct energy consumption by primary energy source- 2016

	San Andrés	São Francisco	EPP	Total
Non-renewable sources				
Diesel- fuel oil (l)	5,954,659	3,195,663	594,334	9,744,655
Gasoline (l)	5,072	1,410	0	6,482
Natural gas (l)	0	267,291	0	267,291

LPG (l)	1117920	0	2,364,400	3,482,320
Ammonium Nitrate (tonnes)	1810	640,327	200	642,337
Emulsions (tonnes)	34	0	0	34
Renewable sources				
Ethanol (m3)	0	321,404	0	321,404

Indirect energy consumption by primary energy source- 2016

	San Andrés	São Francisco	EPP	Total
Purchased Electricity (MWh)	19,082	27,727,976	7,892	27,754,950

GHG Emissions by Source

Total direct and indirect greenhouse gas emissions by weight

Direct Emissions (tCO₂e)

	San Andrés	São Francisco	EPP	Total
Stationary and mobile consumption				
<i>Direct renewable energy sources</i>				
Ethanol	0	1,286	0	1,286
<i>Direct non-renewable energy sources</i>				
Diesel- Fuel Oil	17,864	9,587	1,783	29,234
Gasoline	15	4	0	19
LPG	2,236	0	0	2,236
Process Emissions (Explosives)				
Ammonium Nitrate	303	107,127	33	107,463
Emulsions	6	0	0	6
Total	20,424	118,004	1,816	140,244

Indirect Emissions (tCO₂e)

	San Andrés	São Francisco	EPP	Total
Purchased electricity	7,810	2,463,742	701	2,472,253

	San Andrés	São Francisco	EPP	Total
Totals per mine (tCO ₂ e)	28,234	2,581,745	2,517	2,612,496

Amount of land disturbed and rehabilitated (in hectares)

	San Andrés	São Francisco	EPP
Total land disturbed since the beginning of the project	255	No data	368
Total land disturbed and rehabilitated so far	99	55	7
Total land disturbed in 2016	No data	No data	No data
Total amount of land rehabilitated in 2016	2	18	0