

May 23, 2022

Amanda Romero, Senior Researcher and Representative for South America
Diana Figueroa Prado, Representative and Researcher for Mexico, Central America and the Caribbean
Vitória Dell’Aringa Rocha, Latin America Research Assistant
Business & Human Rights Resource Centre

Dear Amanda, Diana and Vitória,

Thank you for the opportunity to respond to the allegations from civil society organisations claiming that their participation and submissions were ignored during the Company’s annual shareholders’ meeting, as described in the article “Denuncian que minera canadiense ignora a comunidades de Guatemala y Argentina”, published on May 12, 2022, by Hola News (the “Hola Article”). Statements in the Hola Article, including those of both Angus Wong of SumOfUs and Ellen Moore of Earthworks, are misrepresentations of facts.

Contrary to what the title of the Hola Article states, we are listening and engaging with the local communities near our projects in both Guatemala and Argentina. In Guatemala, while the Hola Article correctly notes that operations at Escobal have been suspended, it omits the fact that the suspension was ordered to allow an ILO 169 Consultation process to be conducted by the government of Guatemala, which is now well underway. The ILO 169 consultation is a transparent and inclusive process to foster constructive dialogue. The Guatemalan government has established a website to provide details and progress on the consultation process at: <https://mem.gob.gt/pueblo-indigena-xinka-2/>

With respect to shareholder participation at our Annual General and Special Meeting (“AGM”), due to the COVID-19 pandemic, shareholders were asked not to attend the meeting in person and non-shareholders were not permitted to attend. Instead, online participation was facilitated. Shareholders were invited to submit questions prior to or during the AGM. Despite these instructions based on health concerns, Mr. Wong attempted to attend on behalf of Sum of Us and Earthworks. The Company was advised by the appointed Transfer Agent and by the Company’s legal counsel that he did not have a valid proxy. Mr. Wong was informed of this fact. He then delivered a petition that was received by the Company’s General Counsel. Mr. Wong also indicated he wanted to ask a question at the AGM relating to the subject matter of the petition. Our General Counsel undertook to ensure the question was addressed during the AGM and also offered to arrange a meeting in a COVID-19 safe setting between the Company’s senior management and the civil society organizations Mr. Wong was representing in order to discuss their concerns further.

During the question period at the close of Pan American’s AGM, the Company’s CEO Michael Steinmann specifically addressed the issues raised by Mr. Wong on behalf of Earthworks. Below are the relevant sections from the AGM transcript, which is available on request:

Siren Fisekci

Thank you. We have a question from Angus Wong representing SumOfUs, a corporate responsibility organization, who delivered a petition just prior to this meeting. We understand the petition called on Pan American Silver to respect community self-determination around Escobal and Navidad mines in Guatemala

and Argentina. The question raised was, do you have any response to the people that signed this petition? Michael, can you respond to this?

Mr Steinmann

Sure. First and foremost, we respect Indigenous People's right to consultation. In alignment with the Mining Association of Canada, MAC, TSM Indigenous and Community Relationships Protocol, and as outlined also in our Social Sustainability Policy, we are committed to aim to achieve free and prior informed consent for impact on rights of directly affected Indigenous People.

But when we look at Guatemala (inaudible 11:12), a bit more background there, right now that the Escobal mine is not operating, it's not operating since well before we purchased Tahoe Mining, and the mine is on care and maintenance while the government of Guatemala is conducting an ILO-169 consultation process. This is a requirement mandated by the Constitutional Court of Guatemala, so no timeline has been set for potential restart of the mine.

If you're interested in the ILO-169 process, it is the United Nation's International Labour Organization Convention regarding Indigenous and Tribal Peoples in Independent Countries. The aim of the ILO-169 process is to provide meaningful participation for constructive dialogue. Guatemala's Ministry of Energy and Mines is leading that ILO-169 process. They have structured a very transparent and inclusive consultation process with broad participation and if you are interested, please—they provide actually a website on the government side where you can read all the details about the consultation.

Pan American is participating in good faith and in full respect to the terms of the Constitutional Court ruling, the ILO-169 consultation process, and our Global Human Rights Policy. To date we have participated in six pre-consultation meetings. We have also participated in two working meetings with the Ministry of Energy and Mines and the Xinka parliament to discuss our care and maintenance activities and supply needs.

These activities have been validated by a number of visits from the Ministry of Energy and Mines, from the Ministry of Environment and Natural Resources, as well as a Verification Commission visit that was made up by representatives from the Xinka parliament, the Ministry of Energy and Mines, and the Ministry of Environment and Natural Resources.

Human rights is a really important issue to us and we have human rights audits to ensure our best practices and compliance regarding principles on business and human rights.

Mr. Steinmann also addressed a specific question regarding the undeveloped Navidad Project in Chubut, Argentina, which has been on care and maintenance since 2013. He advised there has been no production or construction at Navidad. In fact, there is currently no law that would allow open pit mining in Chubut and the Navidad project cannot be advanced until laws are in place in Chubut to legally allow open pit mining. The project would then need to be permitted, a process that would require extensive public consultation and specific consideration of Indigenous People's rights under ILO-169, which as noted the Company has publicly committed to respect.

Despite the Company's efforts at the AGM to accommodate SumOfUS and Earthworks questions, and the fact that Mr. Wong was not holding a valid proxy, he claims to have "had the necessary documentation to participate at the meeting" and Ms. Moore alleges Pan American "refused to listen to shareholders who are concerned about indigenous rights". It is concerning that both Mr. Wong and Ms. Moore would misrepresent what actually occurred at the AGM with respect to shareholder participation and the Company's substantive responses to the

questions raised. The webcast of the AGM is available directly at:
<https://services.choruscall.ca/links/panamericansilver20220511.html>

The Hola Article also raises an unrelated and unsubstantiated accusation of fraud by these groups, which in fact was originally made to the US SEC prior to the Company's acquisition of Tahoe resources in early 2019. These accusations were never substantiated and to our knowledge no further action has been taken by the SEC.

We believe respecting Indigenous People's rights and listening to communities requires transparent dialogue based on factual information. Making false accusations or misrepresenting the facts disrespects that dialogue. It also must be inclusive and respectful of different perspectives and interests.

Pan American has established multiple ways for communities and organizations to engage with the Company. Response mechanisms at each site help us understand and respond to community questions or concerns around perceived or actual impacts from our activities. All requests or grievances are registered. Further information is available in our [2021 Sustainability Report](#) starting on page 88.

The Company has also established a specific website for the Escobal mine in Guatemala at: <https://pasguate.com/>

Neither SumOfUs nor Earthworks have contacted the Company in response to our offer to meet in a COVID-safe environment to discuss the issues of concern to these groups, which remains open.

Kind regards,
Brent Bergeron
Senior VP, Corporate Affairs and Sustainability