

MINE CLOSURE AND REHABILITATION

| OUR MANAGEMENT APPROACH

We start planning for closure in the design phase of a new project, and actively engage with and gather input from Communities of Interest (COIs) during the entire mining lifecycle. This approach helps us manage the uncertainties and expectations associated with mine closures through a collaborative process, enabling host communities to reflect on what they would like the future of their community to look like, and the legacy they want our operations to leave behind. Each operation has a closure plan, which is updated throughout the mine lifecycle to incorporate technical, environmental, or social considerations, to meet new regulatory requirements, and to respond to COI engagement. Closure cost estimates are updated annually. In addition to environmental closure plans, Pan American Silver requires that all operations prepare and maintain a social closure plan as part of their site-wide Social Management System.

Policy

- [Environmental Policy](#)
- [Social Sustainability Policy](#)

Standards and Guidelines

- The Biodiversity and Mine Closure Corporate Environmental Standard sets out the key components for effective mine closure, including COI engagement, risk assessments, reclamation planning, decommissioning liability estimates, and social and environmental monitoring programs.
- The Corporate Social Closure Standard establishes the minimum requirements for the development and implementation of social closure plans that reflect local conditions, COIs' social interests and expectations, as well as legal requirements.

Plans, Programs, and Initiatives

- Closure plans establish the relevant technical, environmental, social, and financial aspects of each mine closure.
- COI engagement helps us identify COIs' interests, such as reclamation and land use objectives, and opportunities for long-term socio-economic development projects that we can incorporate into our closure plans. When we begin the process of mine closure, our engagement efforts focus on managing the change that occurs when the operation

leaves the community. Collaborating with local communities during the closure planning stage provides them with the opportunity to have a say in decision-making. This is particularly important as, ultimately, the community will be left to face the outcomes of the closure planning choices once the Company is no longer present.

- The Community Development Initiative Toolkit provides guidelines to help us both identify and develop socio-economic programs that have a high likelihood of long-term success and measure their impact.
- Progressive closure entails reclaiming disturbed land and mine waste storage facilities once they are no longer required by our operations, reducing the disturbance and liability during the mine life.

Monitoring and Evaluation

- Corporate Environmental Audits and Sustainability Audits sample and review the site management system to identify areas for improvement.
- Participatory monitoring and evaluation entail a collaborative approach to collecting, analysing, and disseminating data. Common examples

of mine closure monitoring comprise water quality habitat (flora and fauna), and mine rehabilitation progress.

- Post closure monitoring entails ongoing, long-term monitoring of risks and controls to assess alignment with closure plan objectives.

Accountability

- The General Manager at each operation is responsible for the development and implementation of procedures and programs that comply with the Biodiversity and Mine Closure Corporate Environmental Standard and other corporate policies and initiatives.
- The Vice President of Social Sustainability, Inclusion and Diversity oversees and is responsible for social closure.
- The Vice President of Environment oversees and is responsible for mine closure and land rehabilitation.
- The Board Health, Safety and Environment, and Communities and Sustainable Development committees have oversight of matters related to mine closure practices.