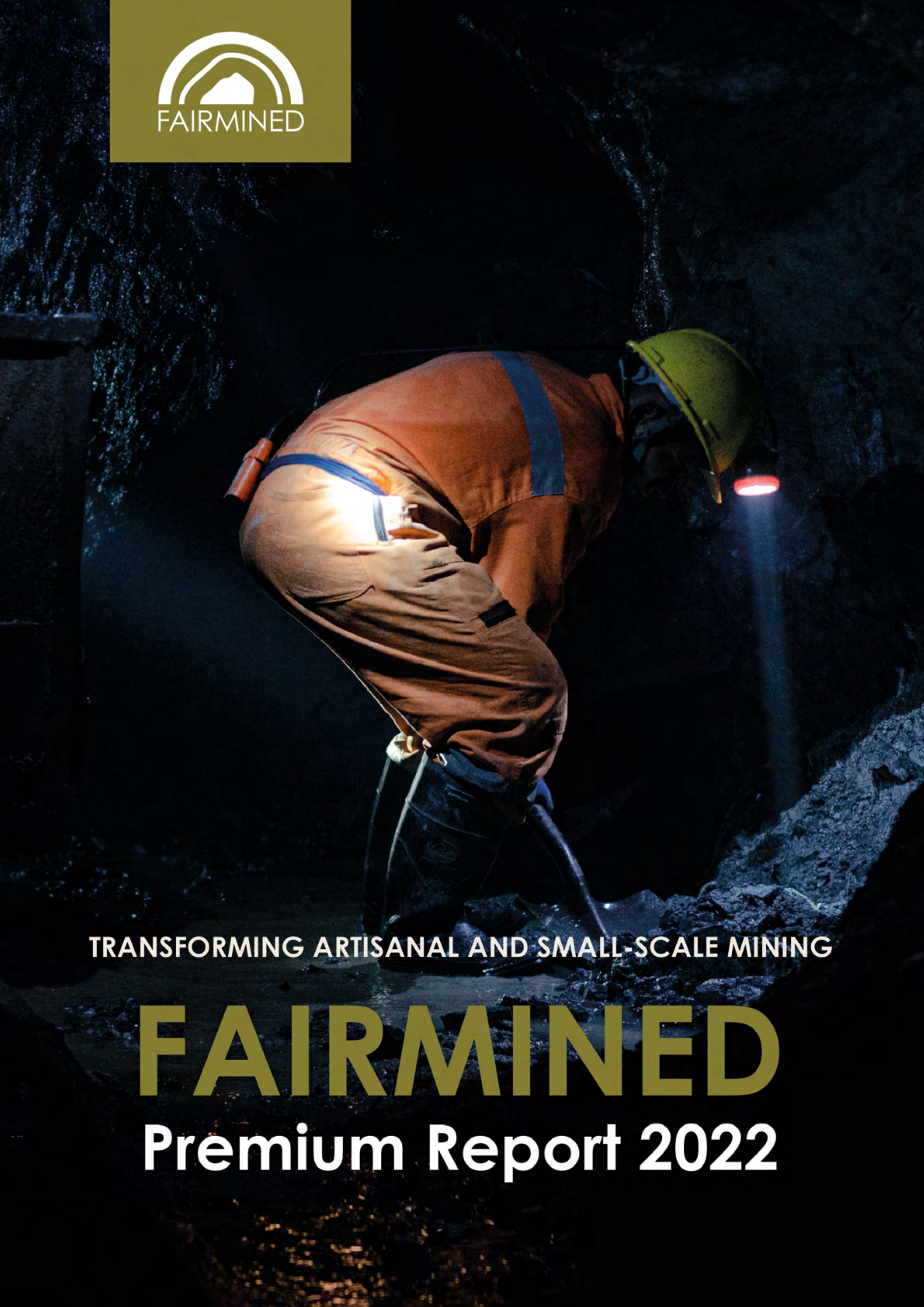

TRANSFORMING ARTISANAL AND SMALL-SCALE MINING

FAIRMINED

Premium Report 2022

FAIRMINED

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ABOUT THE FAIRMINED PREMIUM

FAIRMINED:
A PATH TO POSITIVE CHANGE

Almost 20 years ago, the Alliance for Responsible Mining (ARM) introduced the Fairmined Standard to the world, offering a structured pathway towards a responsible artisanal and small-scale mining that progressively transforms the lives of miners, their families, their communities, while also mitigating the negative environmental impacts associated with this activity.

With the Fairmined Standard as a cornerstone, ARM has collaborated with miners, companies, foundations, governments, cooperation agencies, and mineral buyers, among others, all interested in contributing to this cause. It has engaged in co-creating methodologies and social technologies, generating insights into ASM, fostering multi-sectoral partnerships, and influencing both national and international legislations to create more favorable conditions for responsible artisanal and small-scale mining worldwide.

Through a systemic and innovative approach, ARM has developed concrete ways for enhancing the responsibility of this sector. It has also facilitated the transfer of resources to the ASM sector, enabling positive changes that would have otherwise been impossible without donations or an actively responsible market. In addition, it has ushered sustainability into the achieved improvements by helping to build responsible commercial alliances between buyers and certified mines, ensuring fair prices for minerals and additional premiums.

In addition to these best practices, commercialization strategies have been fundamental in helping these mines to become viable responsible enterprises.

Specifically regarding certified mines, in 2022, **over 1,194 artisanal and small-scale miners across 7 certified mines** committed to carrying out their mining operation responsibly, which involved the implementation of best practices in various categories:

- Environment (with a special focus in mercury and other climate change-related factors) and Productivity
- Social, gender, and labor conditions
- Health and safety
- Traceability and management

FAIRMINED: A PATH TO POSITIVE CHANGE

And thanks to on-ground efforts and the commitment of 413 sector companies, in 2022 certified miners achieved continuous enterprise development, invest in member well-being, community advancement, and territorial improvement, all made possible through fair prices and premiums received for their Fairmined minerals.

During 2022, six Fairmined mines successfully sold their Fairmined gold and silver within responsible markets, receiving both the international market price and the Fairmined premium.

In Colombia, these mines included:

- Chede Mining Organization
- Agromining Cooperative of the Municipality of Íquira
- La Gabriela Mine

In Peru, the certified mines were:

- Cecomip Mining Organization
- Oro Puno Mining Organization
- Cruz Pata Chaquiminas Mining Organization

Since 2014, certified mining organizations have collectively received **over $6.8 million through the Fairmined premium, funds channeled towards maintaining their best practices and progressively deepening their commitment to multiple stakeholders.**

The results achieved over these years stand as a testament that it is possible to transform the reality of the ASM sector. It has also inspired diverse interventions and organizations that have contributed to this agenda in various capacities. ARM takes pride in its pioneering efforts, which have served as a source of inspiration for these new organizations and initiatives, garnering even greater support for the global positive transformation of the ASM sector.

From this perspective, the impact of the Fairmined Standard extends beyond the immediate influence on the lives of certified miners, their families, communities, and local environments, as well as the buyers of this responsible mineral. This impact goes widely far beyond and we thank everyone who has joined us on this remarkable journey, turning the seemingly impossible into a reality.

This report is both a recognition of the achievements made possible by the investments from the 2022 premium and an invitation to ARM's allies and partners to continue supporting the Fairmined initiative. For those who are considering joining us in this significant cause, ARM welcomes your participation, as together, a greater and more profound difference can be achieved.

GINA D'AMATO & MARCIN PIERSIAK

Executive Directors at the Alliance for Responsible Mining

KEY FIGURES IN 2022

6 CERTIFIED SMALL-SCALE MINING ORGANIZATIONS ENTITLED TO A PREMIUM OF USD 541,481

130.31 KILOGRAMS OF FAIRMINED GOLD AND 5.55 KILOGRAMS OF FAIRMINED SILVER WERE SOLD TO THE INTERNATIONAL FORMAL MARKET BY 6 CERTIFIED MINES

A TOTAL OF USD 6,838,930 IN FAIRMINED PREMIUM HAS BEEN PAID TO CERTIFIED MINING ORGANIZATIONS SINCE 2014

WHAT IS THE FAIRMINED CERTIFICATION?

The Fairmined certification is the guarantee that an artisanal and small-scale mining organization (ASMO) complies with the requirements of the Fairmined Standard, developed by the Alliance for Responsible Mining (ARM).

To assist ASMOs to assess their status and chart a course towards continuous improvement, thereby fostering greater responsibility towards all stakeholders, ARM has pioneered the creation of an assessment tool known as the Integral Mining Evaluation (IME).

The IME contextualizes the Fairmined Standard within the ASMO's specific circumstances, enabling ARM, the mines, and any other partners to understand the status of each mine in line with the Standard and pinpoint its specific areas of focus. These identified priorities form a foundation for a sustainability plan, and through its implementation, the mine develops its practices to the extent that it qualifies for Fairmined certification to become part of the pool of artisanal and small-scale mining organizations recognized as leaders in responsible practices within the ASM sector.

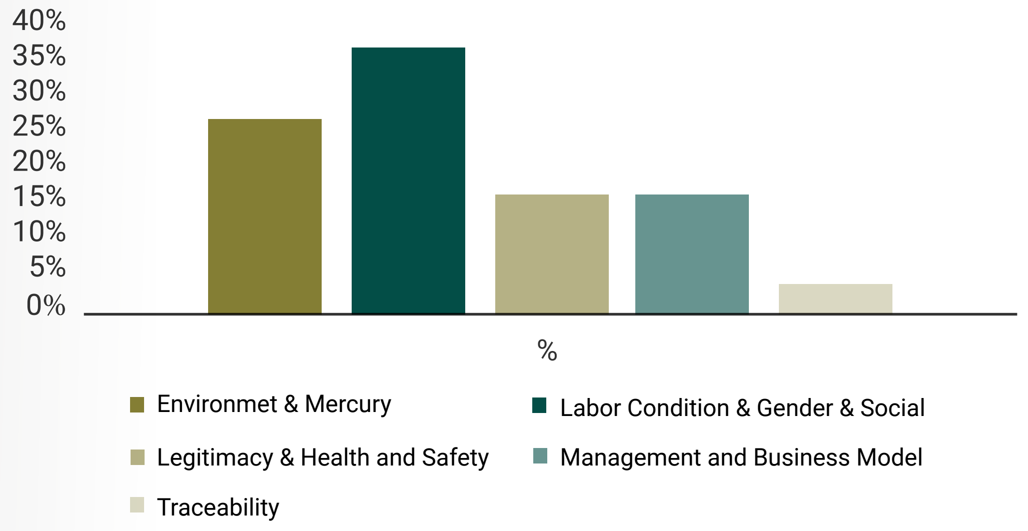
For a mine to be deemed ready for a third-party certification audit, especially when being certified for

FAIRMINED: A PATH TO POSITIVE CHANGE

the first time, it must exhibit high compliance, scoring a minimum of 93 in the evaluation criteria, distributed across various categories:

As the Fairmined Standard is designed to be progressive, the IME tool mirrors

CATEGORIES | IME FARMINED | YEAR 0



this progression. Depending on the number of years the mine has been part of the Fairmined family, it will be required to comply with an additional set of criteria outlined in the IME to qualify as a candidate for recertification.

ASMO	YEAR OF CERTIFICATION
La Gabriela Mine	1
Cruz Pata Chaquiminas Mining Organization	2
Oro Puno Mining Organization	5
Cecomip Mining Organization	6
Chede Mining Organization	3
Agromining Cooperative of the Municipality of Íquira	6

WHAT IS THE FAIRMINED PREMIUM?

A PREMIUM THAT TRANSFORMS LIVES AND SHAPES THE FUTURE

The Fairmined premium stands as an economic recognition, empowering Fairmined certified mining organizations to not uphold their best practices but also advance them. It also aims at improving the well-being of their members and families while fostering social, economic and environmental development within the territories they are part of.

For every kilogram of Fairmined gold sold, certified organizations receive **$4,000** in premium. Organizations holding the ecological Fairmined certification (complying with the Fairmined Standard and additional more progressive requirements) receive **$6,000** for every kilogram of gold sold. Similarly, for every kilogram of silver sold, certified organizations receive **$100** for Fairmined silver and **$150** depending for ecological Fairmined silver.

To use these resources, each mine establishes a Premium Committee comprising representatives from diverse sectors and hierarchies within the mine. This committee is responsible for mapping the needs and prioritizing investment using the premium resources, all while considering the ASMO's financial counterpart.

These priorities are then structured in a Fairmined Premium Investment Plan, which is implemented by the mining organization and monitored by the mine´s Premium Committee with the support of ARM, following established procedures, formats and rules governing premium utilization. These investment plans not only take into account the ASMO's context and primary stakeholders, but also align with the premium's pre-defined objectives.

FAIRMINED PREMIUM, ESG (ENVIORNMENTAL, SOCIAL AND GOVERNANCE) CRITERIA, AND SUSTAINABLE DEVELOPMENT GOALS

IMPACT ON MINING COMMUNITIES

For ARM, responsible artisanal and small-scale mining entails more than merely correcting, mitigating, or compensating for the social and environmental negative impacts derived from mining activities. It also involves actively promoting best practices that empower miners, their families, communities and territories. In this context, we believe in the importance of the ESG approach (Environmental, Social and Governance criteria) as a pathway to raise awareness about the potential for positive change, serving as an important tool to showcase the positive impacts achieved within ASMOs, mining communities and territories. By doing so, multiple stakeholders can access and understand these achievements and explore ways to engage and contribute to this cause, ultimately contributing to build a future where responsible ASMOs set the Standard.

The importance of ESG criteria in the responsible mineral industry also aligns with the United Nations Sustainable Development Goals (SDGs). In our pursuit of a more

responsible ASM sector, we employ ESG criteria to make contributions towards the following SDGs:

ENVIRONMENT:

SOCIAL:

GOVERNANCE:

Obtaining the Fairmined certification is crucial, but the true key to its sustained success lies in maintaining this certification and facilitating access to fair and international markets for the mines. Such access not only ensures fair compensation in alignment with international gold prices but also secures the receipt of the Fairmined premium. These factors are key in the viability of projects and activities that enable ASMOs to uphold and advance their best practices, achieve these results and serve as positive models of responsibility within the ASM sector.

WHAT ARE THE LEVELS OF RESPONSIBILITY OF THE FAIRMINED PREMIUM?

The Fairmined premium is strategically invested to foster the development of the following levels of responsibility:

1. STRENGTHENING THE MINING ORGANIZATION'S RESPONSIBLE PRACTICE AND PRODUCTION SYSTEM

Investments aimed at improving the productivity of the mining organization, upholding best practices and complying with new practices demanded by the Fairmined Standard's progressive nature. In this level of responsibility, most of the investments are channeled into categories such as environment (including mercury reduction or elimination plans), gender equity, legitimacy, occupational health and safety, management, business model, and traceability.

FAIRMINED: A PATH TO POSITIVE CHANGE

2. ENHANCING THE WELL-BEING OF WORKERS AND THEIR FAMILIES

Investments aimed at improving the quality of life for the members of the mining organization and their families. In this level of responsibility, most investments are designed to improve social and/or labor conditions.

3. FOSTERING COMMUNITY DEVELOPMENT

Investments and projects aimed at benefiting the communities surrounding the mining operation and the broader territory. In this level of responsibility, most investments fall into the categories of social and/or environment conditions.

FAIRMINED PREMIUIM IMPACT

CERTIFIED SMALL-SCALE MININ ORGANIZATION IN COLOMBIA

CHEDE MINING ORGANIZATION

LOCATION:
Cauca, Colombia

CERTIFIED SINCE:
2018

NUMBER OF WORKERS:
43 men, 14 women

TYPE OF EXTRACTION:
Underground mining

PREMIUM INVESTMENT | 2022

USD 20,304

The Chede mine is located in close proximity to the municipality of El Tambo in the department of Cauca, Colombia. This municipality holds strategic importance, serving as a connecting point between the center of the Cauca department and the Pacific Ocean. It boasts diverse landscapes, with mountain ranges and valleys rich in subsoil resources. Gold mining has been a traditional activity in this territory, with nearly half of the population having some involvement in mining. Additionally, the area is known for its production of coffee, cabuya (fique), sugarcane, and pine.

Historically, El Tambo has been an area of significance for various illegal groups and activities, resulting in generations of violence and suffering for its population. In the context of the ongoing Colombian peace process, alliances between the private sector and the national government have initiated efforts aimed at supporting victims, eradicating illicit crop cultivation, facilitating land restitution to original owners, and strengthening security, among other initiatives. Nevertheless, there remains much work to be done in the region.

A mining organization with high standards has positive impacts beyond itself: it creates the possibility of generating production chains that positively impact the economy, the environment, and local communities.

Anny Jaramillo,

Director of Planning at Chede Mining Organization.

In this context, being a responsible mine is even more crucial as it demonstrates to the local population that transforming their living conditions is possible and that responsibility can serve as a driving force for development even in the most challenging circumstances.

Chede received its environmental license for gold extraction in 2011 and started operations in 2013. By 2015, the use of mercury in the extraction process had been eliminated and in 2018, the mining organization achieved its Fairmined Certification for the first time. In 2022, the livelihoods of 57 miners and their families were dependent on the Chede mine.

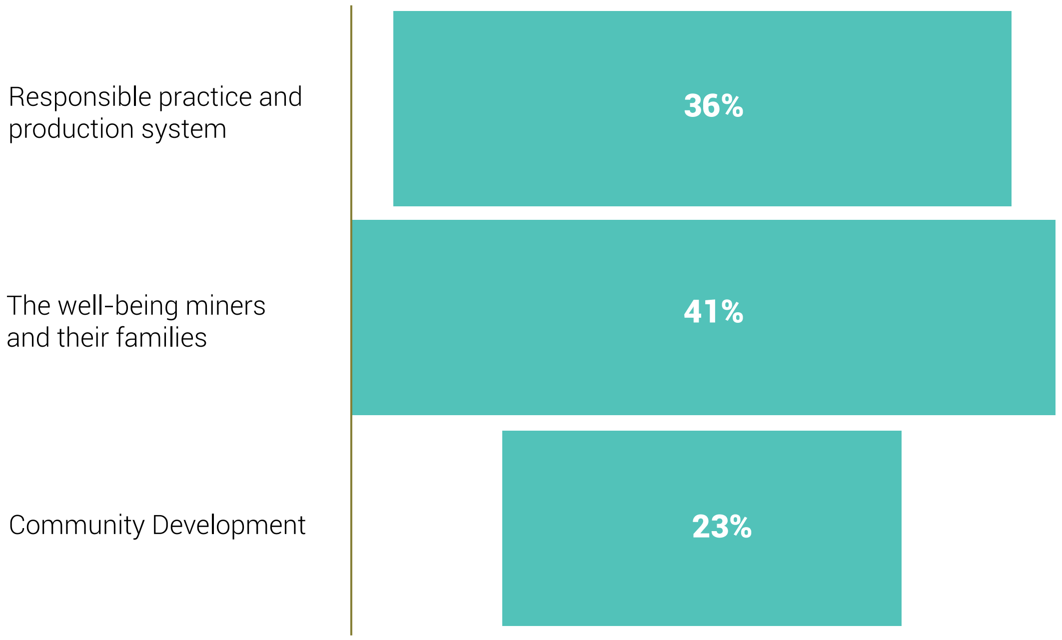
In January of 2023, the Chede mine received the Fairmined Standard certification for the fourth consecutive year. Throughout this journey, we would like to spotlight a few noteworthy achievements. Chede has become a benchmark for health and safety practices in ASM within the region. The organization has made substantial strides in empowering women miners and preventing gender-based violence, **resulting in an 18% reduction in the gender employment gap since its first certification.** Chede also continues to invest in environmental best practices and remains committed to this path. It serves as a significant positive reference point for other ASMOs in the region.

INVESTMENT IN 2022 | LEVELS OF RESPONSIBILITY

In 2022, the Chede Mining organization, through its sales of Fairmined gold, generated a premium of USD 76,822. A portion was received in 2022 and the remainder in early 2023. **During 2022, Chede invested USD 20,304 of the premium** to the three levels of responsibility, as outlined in the table below:

LEVELS OF RESPONSIBILITY	COMPLIANCE RATE	TOTAL INVERTIDO EN USD
Strengthening the mining organization's responsible practice and production system	36%	7,244
Enhancing the well-being of workers and their families	41%	8,446
Fostering community development	23%	4,614
TOTAL	100%	20,304

PREMIUM INVESTMENT | 2022



INVESTMENT IMPACT

1. Strengthening the Mining´s Responsible Practice and Production System

Investments made in this category enabled Chede to sustain its best practices in 2022, which have implemented over the past three years as a Fairmined certified mine. Additionally, Chede met the requirements for the third party audit, fostering gender equality within the mine through hiring policies, implementing an internal policy to reinforce non-discrimination and preventing sexual harassment within the mine. It also prioritized advancements in health and safety practices by implementing employee health and safety trainings and upgrading its C**OPASST (Joint Committee on Occupational Health and Safety) committee.**

The COPASST committee is responsible for promoting and monitoring safety protocols throughout the mine to ensure a safe work environment, both underground and on the surface. Its existence is integral to the Occupational Health and Safety Management System, which has seen significant progress

at Chede under the guidance of the Fairmined Standard. This system involves Chede in assessments and continuous improvements in policy and in practices on-site, with the aim of proactively identifying and managing risks that could affect the safety and health of mine workers.

In 2022, Chede also made investments in **upgrading the electrical networks and communication system within the mine.** With specialized support, it installed cabinets, telephones and doorbells, rewired circuits and replaced accessories to comply with the RETIE norm (a technical regulation of electrical installations established by the Ministry of Mines and Energy in Colombia). Moreover, labels were reviewed. These investments will continue into 2023, **contributing to compliance with Colombian mining legislation and mitigating the risk of accidents within the mine due to communication failures or electrical accidents.**

BEFORE:

AFTER:

2. Enhancing the Well-Being of Workers and their Families

The investments made in this category were primarily centered on enhancing the well-being of Chede´s 57 miners and their families. These initiatives encompassed:

- Housing improvements for 22 employees who met the specified criteria for this assistance:

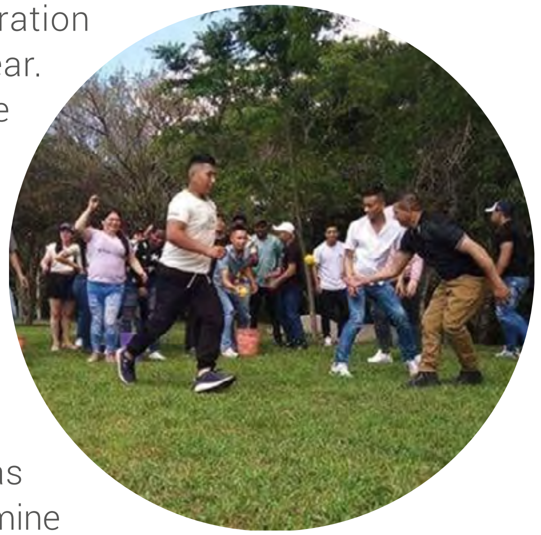
BEFORE:

AFTER:

- Individual psychological support and assistance for all mine members as needed. It became evident that the isolated nature of mining work was affecting the well-being of miners, leading some to miss work due to mental health issues or other situations affecting their emotional state. Consequently, the Premium Committee prioritized individual psychological support and assistance for workers in need, making a significant positive impact on their lives.

- Enhancement of common areas, primarily through the planting of ornamental plants and vegetable gardens.

- Recreational activities and the celebration of important dates throughout the year. These activities were requested by mine members and Chede views them as a way to recognize the dedication of their workforce throughout the year. Furthermore, they believe these activities foster stronger bonds among workers and their families, contributing to a positive work environment that encourages the free exchange of ideas and the sharing of experiences between mine members and their families.



In this regard, the celebrations and recreational activities that Chede prioritized in 2022 included:

* Health Day
* Family Day
* Women's Day
* Miner's Day
* Mother's Day
* Father's Day
* Birthdays of the Month
* End-of-the-Year Celebration

These activities **benefited approximately 200 individuals, including employees and their family members, with some individuals participating in more than one event or activity.**

3. Fostering Community Development

Education access in rural areas presents a major challenge in Colombia. As of 2021, national government indicators reveal that only 39% of rural schools offer secondary education. On average, a person residing in rural areas of the country receives six years of education, compared to ten years in urban areas. This disparity is further compounded by the challenging situations stemming from the armed conflict, which has brought structural or cultural violence to various regions of Colombia. Consequently, it is extremely difficult for students to successfully complete their school education in rural areas. This problem has intensified post-pandemic, deepening the hurdles for education faced by children and teenagers in rural and remote areas of the country.

In light of these challenges, Chede Mine has made substantial investments over the years, including in 2022, to significantly improve the local and rural school in El Ciruelal, located in the Fondas region within the municipality of El Tambo. This school offers classes in the morning, afternoon, evening, and on weekends, catering to students ranging from primary to middle school and high school for children, teenagers, and adults who are seeking education opportunities they missed in their youth. **El Ciruelal school benefits around 80 students from the region.** But even though it is such an important institution for the region, it receives limited funding from the local government, leading to difficulties in maintaining infrastructure quality and educational standards.

In 2022, Chede made several investments related to both infrastructure and recreational activities that play a pivotal role in fostering a good environment and a sense of community among students, school staff, teachers, and families.

These investments included:

Roof repairs for the school.

Road repairs connecting the school to the community.

BEFORE: **AFTER:**

Support for various events and recreational activities throughout the year, primarily benefiting the communities attending this school, including Fondas, Limoncito, Pandiguando, Chapas, Munchique, Chicueña, and Dajuando.

BEFORE: **AFTER:**

Beyond the school-focused investments, Chede also equipped the health post in the municipality of Dajuando, allowing it to attend to minor emergencies. This investment is expected to benefit around 200 community members in Dajuango.

ÍQUIRA (MULTIACTIVE AGRO-MINING COOPERATIVE OF THE MUNICIPALITY OF ÍQUIRA)

Watch video

LOCATION:
Huila, Colombia

CERTIFIED SINCE:
2014

NUMBER OF WORKERS:
96 men, 19 women

TYPE OF EXTRACTION:
Underground mining

FAIRMINED PREMIUM | INVESTMENT IN 2022:
USD 122,653

Íquira is the name of the municipality where this ASMO is situated. The **cooperative was established in 2004** and according to the Colombian Ministry of Environment and Sustainable Development, the department of Huila, where Íquira is located, is one of the country's most ecologically diverse regions, boasting abundant ecosystems, water resources and other natural resources, including minerals. Currently, the department of Huila encompasses 173 protected natural areas, including 5 National parks, and two of the nation's most significant river basins, both of which were declared "Biosphere Reserve" by UNESCO in 1979.

In contrast, despite Huila's abundant resources, it has a history marked by issues such as pollution, water contamination, and deforestation due to improper resource exploitation. Some of these challenges have been caused by illegal and informal mining.

The cooperative initially comprised coffee farmers who later develop an interest in gold and silver deposits, a transition that took place in the early 2000s. Since then, the cooperative's members have seamlessly combined small-scale mining with coffee cultivation.

2022 marked Íquira's 6th year as a Fairmined certified organization. In the context of Huila, Íquira serves as a leading example of utmost importance as it demonstrate to other miners that responsible mining practices are not only feasible within this critical region of the country but can also contribute to the well-being and development of artisanal and small scale miners, their families, and communities.

As part of their commitment to responsible mining, the cooperative ceased using mercury several years ago, even before its ban in the country in 2015. They have since adopted high environmental standards, which are vital not only in any part of the world but even more within such environmentally sensitive regions.

Thanks to their extensive history and unwavering commitment to responsible artisanal and small-scale mining, the ASMO´s Fairmined Gold has been **used to create the Nobel Peace Prize and the Palm of Cannes. This impactful initiative,** has raised global awareness of this significant cause, serving as a crucial first step towards engagement and contributions to positive change worldwide.

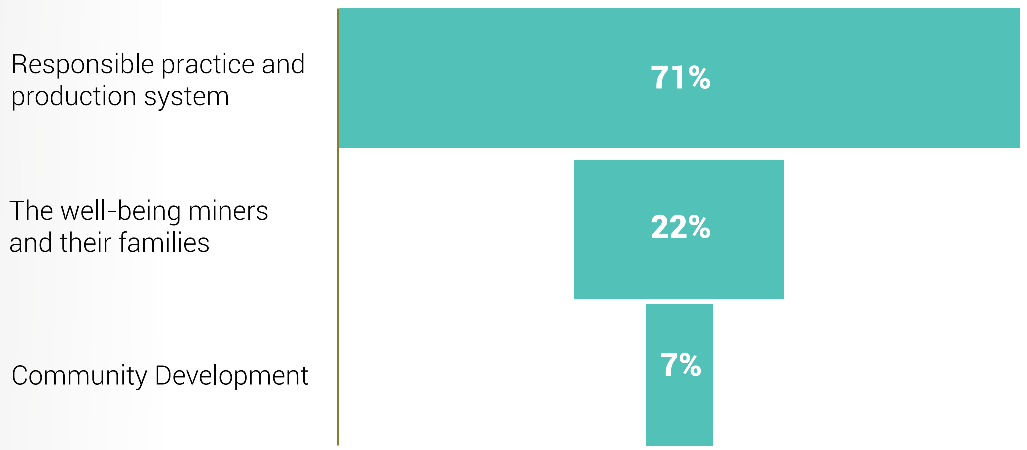
INVESTMENT IN 2022 | LEVELS OF RESPONSIBILITY

In 2022, Íquira received a **Fairmined premium totaling USD 98,652 for its sales. It invested the entire amount received in 2022 along with a portion of the savings accumulated from the previous year.**

LEVELS OF RESPONSIBILITY	COMPLIANCE RATE	TOTAL INVESTED IN USD
Strengthening the mining organization's responsible practice and production system	71%	86,593
Enhancing the well-being of workers and their families	22%	26,913
Fostering community development	7%	9,147
TOTAL	100%	122,653

ÍQUIRA (MULTIACTIVE AGRO-MINING COOPERATIVE OF THE MUNICIPALITY OF ÍQUIRA)

PREMIUM INVESTMENT | 2022



INVESTMENT IMPACT

1. Strengthening the Mining Organization´s Responsible Practice and Production System

The Íquira cooperative comprises 18 mines and 6 processing plants serving all the mines. **With a commitment to continuous improvement in the processing plants while complying with environmental and mining regulations and with the goal of enhancing the cooperative´s productivity and cost-efficiency, Íquira made investments in operating costs and investments to five plants:** Milagrosa, Caracol, Grano de Oro, Santa Ana and YC. Key improvements include:

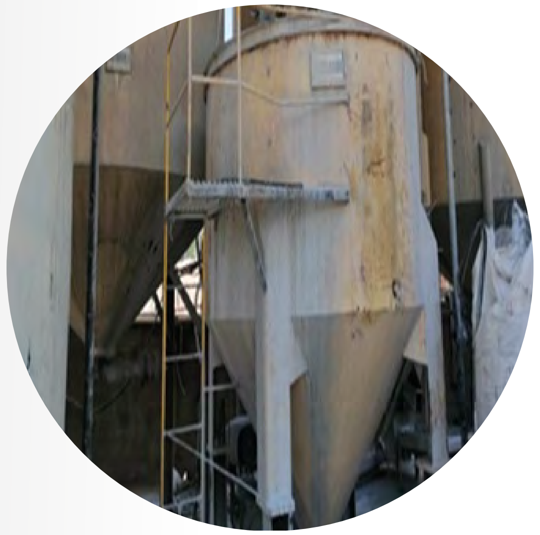
- Enhancing the closed water circuit installation at the Caracol ore processing plant, which reduces water consumption by recycling water used in the process. This circuit optimizes the treatment system by utilizing water pumps to return water to a storage tank for reuse in the process.

- Enhancing the infrastructure at the La Milagrosa processing plant to improve stability for internal and external personnel movement within the facility.

- Installing a condenser (totalizer) at the Grano de Oro processing plant to reduce the electrical energy consumption, lower costs, reduce the Cooperative´s carbon footprint, and enhance the efficiency and lifespan of process-related engines. This investment aligns with the standard mandated by the Colombian Ministry of Mines and Energy.

ÍQUIRA (MULTIACTIVE AGRO-MINING COOPERATIVE OF THE MUNICIPALITY OF ÍQUIRA)

- Adapting the tailwater storage tank for heavy metal decontamination, enabling water reuse and reduced water consumption in the process while ensuring proper treatment of heavy metals.



In addition to these investments, the Íquira cooperative acquired two gas monitoring boards for the Cipriana mine. This allows for the monitoring and communication of gas concentration within the mine, including methane, carbon monoxide, and nitrogen dioxide, among others, to ensure they remain within permissible limits. This is an important step that enhances health and safety within the mine by ensuring adequate oxygen levels for normal breathing of mining personnel and reducing the risk of conditions that could lead to explosions.

Another significant investment in health and safety took place at the Cipriana mine, where a sample study was conducted to assess the status of safety factors concerning stability within. This assessment aimed to determine if new fortification systems were required to enhance the structural safety of the mine.

Furthermore, the cooperative made management and administrative investments to uphold existing good practices and further deepen their commitment, particularly in practices related to health and safety. In this regard, the Cooperative made investments in:

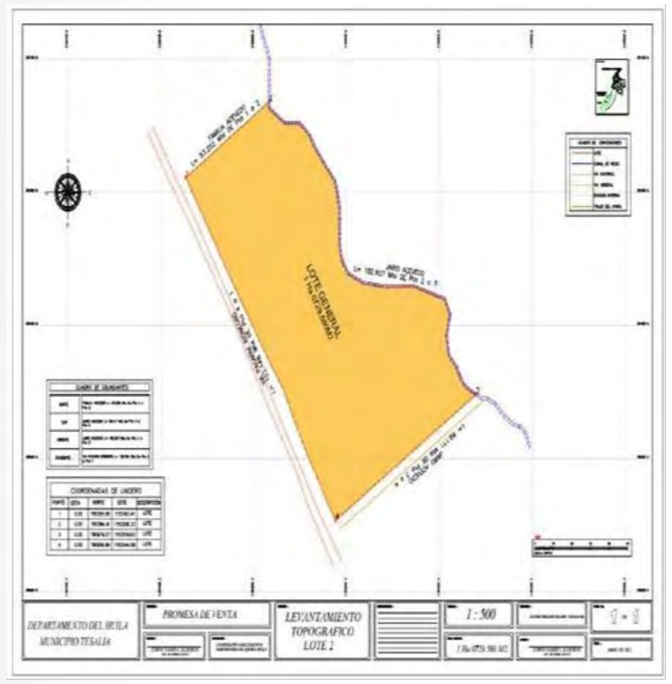
- Facilitating its recertification process by hiring a third-party audit entity;
- Covering general administrative and infrastructure expenses essential for the cooperative's sustainability;
- Hiring a mine engineer to provide technical support for the Occupational Safety and Health Management System of the Cooperative, ensuring continuous improvement and proactive risk management, safeguarding the safety and health of mine workers;

- Conducting health examinations to train cooperative members as mine rescuers.

2. Enhancing the Well-Being of Workers and their Families

The economic situation in rural Colombia has been a source of concern. According to DANE[1], 23% of Colombians reside in rural areas, with 32% of them living in poverty. This challenging context reduces the opportunity for the rural population to exercise their right to decent housing. Being aware of this context and bearing a sense of responsibility towards the well-being of its members, workers, and families, **the ASMO made the decision to acquire land for a housing project** intended to benefit at least 120 families affiliated with the cooperative. A total of 1 hectare of land was purchased for this project, with the investment covering notary fees and land recognition. This project is of medium-term duration and will extend into 2023.

[1]The rural sector in Colombia: What do we need to advance in rural inclusion and development? (retrieved from semana.com)



Íquira, similar to Mina Chede, believes in recognizing and acknowledging the dedication of its members and workers through events that commemorate significant occasions. They also holds the view that these events foster stronger bonds among cooperative members, workers, and their families, contributing to a positive work environment that encourages the free exchange of ideas and the sharing of experiences between miners and their families. In line with this perspective, Íquira invested a portion of its premium last year to organize two events: one to celebrate the end of the year and the other to celebrate National Miner's Day. These events benefitted approximately 130 people.




Additionally, Íquira made investments made in the well-being of workers and their families by providing financial assistance to ASMO members facing challenging situations in 2022, such as because of difficult situations they were going through last year, like compassionate leave, illness, or bereavement. Eight workers received this aid, indirectly impacting the lives of 50 people positively.

3. Fostering Community Development

Recognized as a significant reference in the region, the cooperative invests both in the social and environmental aspects of the community.

In 2022, Íquira directed its investments towards enhancing the well-being of the rural population connected to the municipality of Pacarní, situated within the jurisdiction of the municipality of Íquira. This initiative specifically benefited the communities of Alto Damitas, El Cedro, Damitas, and Buenos Aires, directly and indirectly impacting the lives of 800 people residing in this region. The investments made were diverse, with a significant focus on education. As previously mentioned in this report, rural education remains a challenge in the country, marked by limited academic offerings, insufficient infrastructure, and accessibility issues in some remote areas.


ÍQUIRA (MULTIACTIVE AGRO-MINING COOPERATIVE OF THE MUNICIPALITY OF ÍQUIRA)

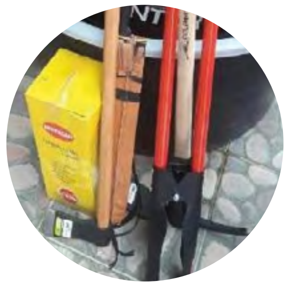
In addition to the investments in education, another significant portion of the investment in this same region was allocated for improving the local roads, which had been severely affected by the heavy rains that are typical in the winter season in Colombia. Such investments are crucial because rural mobility in Colombia is marked by inadequate road infrastructure, limited accessibility, a lack of transportation options, and road safety issues. Consequently, there are often challenges in accessing essential services, such as hospitals and schools in many villages and towns, hindering economic opportunities for affected communities.


Other investments were made in response to specific needs identified in collaboration with the Íquira community:

- Extension of the Internal Aid Program aimed at members of Íquira and their families to include community members facing difficult situations due to illness, domestic calamities, or death;
- Donation of an emergency kit tailored to the healthcare needs of the elderly population in Íquira;
- Improvements to the cemetery in Pacarní;
- Investments in community events, including the San Silvestre Pacarnisuna athletic competition and a community bingo;
- Donations to the church in the municipality of Tesalia, a neighboring community to the municipality of Íquira.

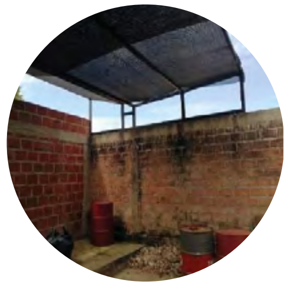







On the environmental front, Íquira has invested in cleaning the land around the stream flow of Buenos Aires and Damitas and has improved the conditions of the storage shed that receives used cooking oil, which is later recycled by the municipality of Tesalia, thus mitigating the impact of oil contamination of the region's water sources.



LA GABRIELA MINE

Watch video

LOCATION:
Antioquia , Colombia

CERTIFIED SINCE:
2021

NUMBER OF WORKERS:
11 men, 2 women

TYPE OF EXTRACTION:
Underground mining

FAIRMINED PREMIUM | INVESTMENT IN 2022:

USD 9,520

La Gabriela is located at the municipality of Tarazá, within the Bajo Cauca subregion of the Antioquia department. This territory boasts both the Tarazá river basin and a fertile mountain system with great access to water. The local economy primarily relies on agriculture, particularly the cultivation of bananas and cocoa, among other crops. This agricultural activity coexists with livestock and fish farming, gold mining, and trade. Moreover, Tarazá and the Bajo Cauca region, in general, are areas in Colombia that have been grappling with the presence of illegal armed groups since the 1970s, owing to their abundance in natural resources. This ongoing situation of armed conflict has subjected the population to decades of violence and human rights abuses.

It was against this backdrop that the Posada family decided to start a mining project in 2011, focusing on gold exploration within a Tazará farm, marking the beginning of La Gabriela.

Initial mining operations on the farm started without major security protocols, running in conjunction with existing activities that they already had on the farm, such as cocoa and rubber cultivation and subsistence cattle farming. Over time, they sought ways to operate with greater responsibility. A first step was establishing a fish farm (tilapia and cachama fish) to benefit its workers. They also started implementing procedures related to norms and regulations of the Colombia's Ministry of Mines and Energy. Along this path of continuous improvement, they encountered Fairmined certification and began the process of assessment and implementation of their sustainability plan towards compliance.

In their journey towards certification, they had to implement a series of best practices. For instance, they had to structure their administrative system, as one of the mine's significant challenges was the systematization of its information and processes. This proved pivotal in ensuring the traceability of production and commercialization.

Furthermore, it is worth noting the extensive work undertaken during the implementation of the sustainability plan to ensure health and safety practices within the mine. This was accomplished through training and the implementation of standards and procedures, as well as fostering an understanding among miners about the importance of using protective equipment. These concerted efforts, implemented collaboratively by mine members and ARM, fostered the introduction of a culture of health and security awareness and positive action in La Gabriela. Uniforms, reflective vests, helmets, ear protectors, and boots, as well as face shields, gloves and eye protectors all became commonplace.

In their pursuit of becoming a more responsible mining organization, La Gabriela also introduced a gravimetric table to replace the use of mercury in their processes. This allowed the mine to identify production challenges, such as the need to establish its own power plant and carry out studies for more efficient mineral exploration.

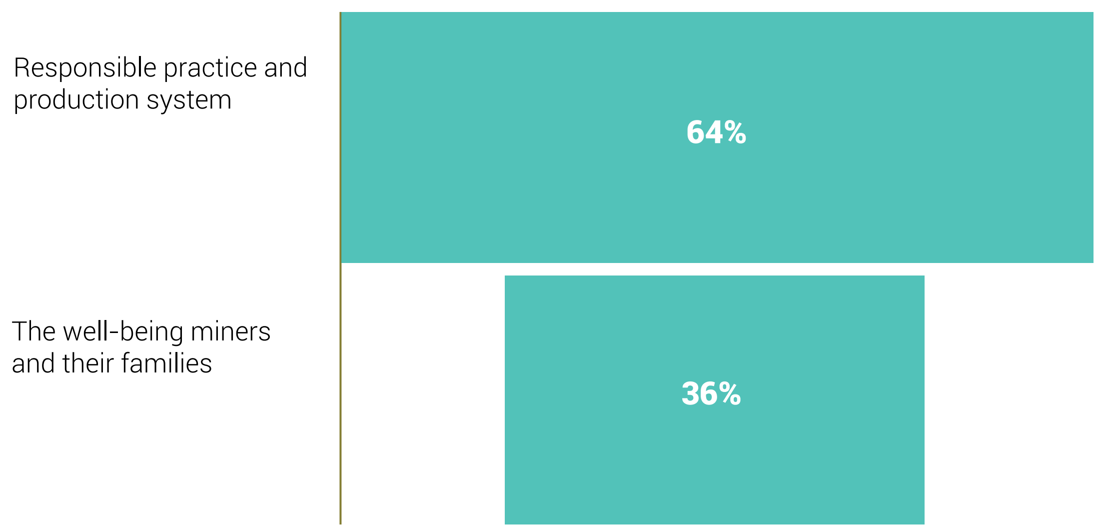
La Gabriela recognizes that gold is a finite resource with limited reserves on the planet. Consequently, the mine is committed to build resilience by combining its mining activities with the strengthening of agricultural production and fish farming. This approach, besides having a positive impact on all the members that are part of La Gabriela, also serves as a positive reference for other artisanal and small-scale mining organizations on diversification and adaptability.

INVESTMENT IN 2022 | LEVELS OF RESPONSIBILITY

In 2022, La Gabriela received a **Fairmined premium of USD 12,757 and invested most of it within this same year.** La Gabriela invested its premium in two of the three existing levels of responsibility since in 2022 it had not yet reached the third year of its Fairmined certification.

LEVELS OF RESPONSIBILITY	COMPLIANCE RATE	TOTAL INVESTED IN USD
Strengthening the mining organization´s responsible practice and production system	64%	6,115
Enhancing the well-being of workers and their families	36%	3,405
TOTAL	100%	9,520

PREMIUM INVESTMENT | 2022



INVESTMENT IMPACT

1. Strengthening the Mining Organization´s Responsible Practice and Production System

To progressively enhance the application of the best environmental, economic, and social practices in the ASM sector and to maintain itself as a benchmark and positive reference, La Gabriela organized a meeting with all its miners and workers to provide context and explanation about the process and the work needed for the re-certification process since the first experience of the mine with this process took place in 2021. It also invested in hiring a third-party audit entity and logistics support for the re-certification process in 2022, as well as training for its members in health and safety to align with the progressivity nature of the Fairmined Standard.

But La Gabriela's main focus and priority of investment in 2022 in this level of responsibility was compliance with the mining and environmental law. These laws are essential not only for establishing the legitimacy of the mining organization but also for serving as guidelines to ensure responsible practices regarding the natural resources of the territory and the well-being of the local population. Given that La Gabriela is a small mining organization, the premium plays a crucial role in achieving this compliance.

From this perspective, a portion of the premium was used for the payment of the mining-environmental policy fee, as stipulated in Article 280 of the Mining Code. This policy must remain in effect throughout the entire life cycle of the mining concession, any extensions on the concession, and for an additional of three (3) years more after production has ceased.

La Gabriela also invested in initiating the review of its "Technical Work Plan". The need for adjusting this plan for all Colombian mines arises from Colombia's participation in the International Committee for Mineral Reserves and Mineral Reserves Reporting (CRIRSCO – Committee for Mineral Reserves International Reporting Standards), which aims to standardize the public reporting of exploration results, mineral resources, and mineral reserves. Joining this committee requires countries to develop their own standards based on international guidelines, for which the plan potentially supports mineral resource management at the mining site.

2. Enhancing the Well-Being of Workers and their Families

The mine faced a significant crisis in 2022 when they lost the gold vein. While they were making various efforts to find it again, they had not yet resolve the situation. To ensure the well-being of their workers, even though they could not produce or sell gold during this period, a portion of the premium was used to cover the payroll of 12 employees and to purchase the supplies needed for providing meals to the miners. In addition, the ASMO also used a portion of the premium to ensure that all workers are covered by Occupation Risk Management insurance of type 5, which in Colombia provides coverage for the highest level of risk.

CERTIFIED MINES IN PERU

PERU

Out of the four Fairmined-certified Peruvian mines, three of them successfully sold Fairmined minerals and received a Premium in 2022. These mines are all situated in the department of Puno, located in the southeastern highlands of Peru. This region bordering Lake Titicaca to the south, is culturally rich, sharing the lake with Bolivia. Lake Titicaca is not only the largest lake in South America but also the highest navigable body of water in the world.

The economy of the Department of Puno is mainly focused on the primary sector, including livestock production, agriculture, and mining. Mining, however, holds the most significant relevance in the region, as 60% of Puno´s territory is considered suitable for mining activities. This mining potential has attracted a migratory workforce from other parts of the Department or the country, creating a heterogeneous community in the region. Spanish is often the second language for part of the population, with indigenous languages such as Quechua and Aymara as their mother tongues.

Historically, the main minerals found in the department of Puno have been tin, zinc, lead, silver, and gold. In 2017, 2.5 million tons of lithium was discovered in the region, a mineral in increasing demand across various industries that aligns with global energy transition goals.

However, the substantial mining potential in the department of Puno has not only brought development to the region but also significant challenges associated with irresponsible mining practices. These practices have had negative impacts on the environment, the safety and well-being of miners and their families, unbalanced distribution of wealth, among other issues. Furthermore, they have contributed little to the overall welfare of local communities.

Zooming out to the national level, the World Bank2 estimates that ASM in Peru accounts for 20% of the country's total gold production. However, a substantial portion of this sector operates informally or illegally. This is a key challenge that the government has sought to address by facilitating the formalization of the ASM through the Mining Formalization Directorate. As of May 2020, this initiative had successfully formalized more than 8,000 miners out of a total of about 60,0003 miners who practice small-scale artisanal mining in the country.

[2] World Bank Document

In this context, having positive references of ASM organizations is fundamental. Three Fairmined Certified Mines, two of which also hold the Fairmined Ecological Certification, serve as beacons of possibility. They demonstrate that formalization and responsible production are achievable, promoting progressive sustainable development through artisanal and small-scale mining in the region.

Peru 2022: A Journey to the origins: video

CECOMIP
(PUNO MINING AND METALLURGICAL COOPERATIVES CENTRAL)
FRANCISCO UNO MINE

Watch video

LOCATION:
Puno, Peru

CERTIFIED SINCE:
2016

NUMBER OF WORKERS:
144 men, 55 women

TYPE OF EXTRACTION:
Alluvial

FAIRMINED PREMIUM | INVESTMENT IN 2022:

USD 183,434

CECOMIP is situated in the District of Ananea at an elevation of approximately 4,700 meters above sea level. The temperature in this region fluctuates between 7°C and -13°C. This harsh climate makes artisanal and small-scale miners´ work conditions even more challenging than in many other areas of the world.

Established on September 4th, 2005, CECOMIP was founded by miners from the jurisdiction of the Ananea district, that at the time were engaged in artisanal mining activities using very rudimentary tools. Initially composed of four cooperatives, it has now expanded to encompass nine cooperatives, each with an average of 20 to 30 members. These associated cooperatives are: i) Cooperativa Minera Santa Rosa de Ananea Limitada; ii) Cooperativa Minera Serpiente de Oro de Peña Azul de Ananea Ltda; iii) Cooperativa Minera Santa Cruz de Oro de Belén de Ananea Ltda; iv) Cooperativa Minera Chasquis de Oro Chuquine Ltda v) Cooperativa Minera Águila Dorada Ltda; vi) Cooperativa Minera Perlas de Oro de Limata Ltda.; vii) Cooperativa Minera Antonio Raymondi Ltda; viii) Cooperativa Minera Nuevo Horizonte de Oro de Ananea Ltda; ix) Cooperativa Minera Nueva Generación de Ananea Ltda.

CECOMIP´s Francisco Uno concession has held Fairmined certification since 2016. It was the pioneering mine in Peru to achieve the Fairmined certification. Impressively, in 2021, it further complied with even more demanding criteria and achieved Fairmined Ecological certification, a remarkable achievement and a very positive example of responsible ASM mining practices in a region that greatly benefits from such role models. The years of certification for Francisco Uno have cumulatively

impacted CECOMIP as a whole. Presently, it proudly possesses all the necessary permits mandated by the Peruvian government and the Fairmined Standard. Furthermore, it has enhanced its mining practices and productivity, strengthen its safety protocols, mitigated its environmental impact, and ensured the well-being of its miners.

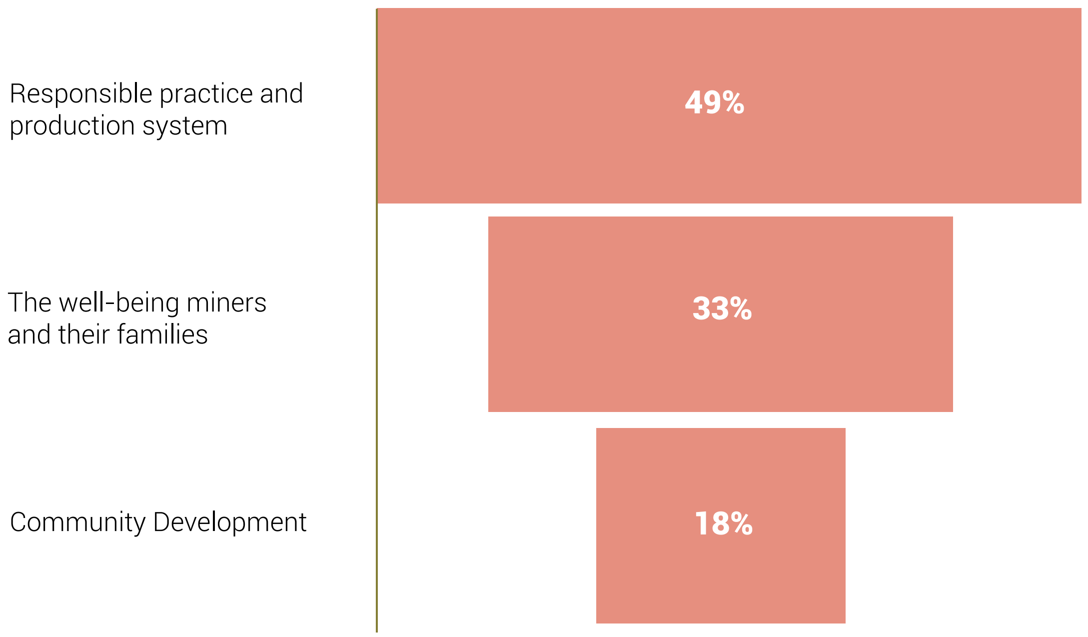
CECOMIP has also actively promoted projects aimed at fostering the economic and social development of the community, with particular emphasis on empowering women in the region. Notably, in November 2021, with the goal of bridging gender gaps and promoting gender equality, CECOMIP established its Committee for Gender Equality, becoming the first organization in the sector within the country to have this type of initiative. CECOMIP has also lent significant support to women miner-associates who have organized themselves into an association named "Divinas en Brillo de Oro." Within this association, they have undergone training and made efforts to create a sustainable goldsmith business, crafting handmade jewelry. CECOMIP has adapted a workshop at its headquarters to serve as a workspace for these women, enabling them to work, train, and continually enhance their design and jewelry crafting skills.

INVESTMENT IN 2022 | LEVELS OF RESPONSIBILITY

In 2022, CECOMIP received a **Fairmined premium of 180.041 USD for its sales** and it also had savings from the previous year. The total premium invested in 2022 was distributed in the three levels of responsibility as described in the table and graph that follow:

LEVELS OF RESPONSIBILITY	COMPLIANCE RATE	TOTAL INVESTED IN USD
Strengthening the mining organization's responsible practice and production system	49%	89,604
Enhancing the well-being of workers and their families	33%	60,701
Fostering community development	18%	33,129
TOTAL	100%	183,434

PREMIUM INVESTMENT | 2022



INVESTMENT IMPACT

1. Strengthening of Responsible Practice of the Mining Organization and Production System

In order to comply with the progressive nature of the Fairmined Standard and uphold its Ecological Fairmined Certification, **establishing itself as a benchmark and positive example in the Peruvian ASM, CECOMIP | Francisco Uno made multi-level investments in 2022.**

A significant investment was directed towards **strengthening CECOMIP's commitment to clean technologies.** Miners and the technical team from CECOMIP underwent training in the city of Puerto Maldonado, Madre de Dios region. This comprehensive training encompassed both theoretical and practical aspects of gravimetric methods for gold recovery. As part of this initiative, miners and technical personnel visited various mining concessions that apply gravimetric recovery methods, having the chance **to understand better these mercury-free gold processing technologies** through discussions and shared experiences among different teams.

As a further stride in CECOMIP's environmental agenda, two out of a total of four electric pumps were introduced to phase out the use of diesel fuel, thereby reducing pollution stemming from greenhouse gas emissions. These pumps are responsible for pumping water into the sluice box system.

In line with investments in clean technologies and **the goal of enhancing productivity,** CECOMIP hired a metallurgy specialist in 2022 with the aim is to improve the percentage of gold recovery from extracted ore. CECOMIP aspires, in the medium term, to increase gold recovery from the current 38% to at least 60%, with the assistance of professionals and the integration of clean technologies.

Last year CECOMIP **continued to prioritize capacity-building.** On the topic of **health and safety,** CECOMIP continued its commitment to capacity-building. On the front of health and safety, the organization invested in conducting mining safety training for its technical team at the Mining Safety Institute (ISEM in Spanish), a Peruvian private association that provides training in accident prevention techniques to mining and industrial companies. Additionally, Personal Protective Equipment (PPE) was procured and distributed to 199 workers to mitigate health and safety risks. CECOMIP also invested in training related to **cooperative practices and context** to foster continuous learning and growth within the ASMO. This training aimed to enhance adaptability to market dynamics, improve cooperative governance and administration for informed decision-making, and strengthen the organization as a whole. The training took place in the city of Juliaca.

Furthermore, CECOMIP streamlined its tax obligations for mining activities in Peru by implementing a consolidated annual tax return (DAC in Spanish). Instead of each member organization submitting separate tax return, CECOMIP reported a cooperative unit tax return. To facilitate this transition, CECOMIP invested in equipment and provided training in Lima to its technical team and accountant to ensure the accurate processing and submission of the DAC.

In the same year, supported by the Fairmined Premium, CECOMIP made strides in **enhancing infrastructure, reducing fixed costs, and maintaining its management priorities.** This included:

- Acquiring a plot of land in Juliaca, complete with a partially constructed building that will be renovated to serve as CECOMIP's own office, eliminating the need for rental expenses.

- Settling payment for third-party audits conducted in 2021 and 2022.

- Investing in the renovation of its headquarters in the city of Ananea. This included structural improvements, procurement of furniture, a camera, a TV, three printers, and two computers for administrative purposes. The objective was to create a fully equipped headquarters meeting the needs of ASMO members for meetings with various stakeholders, teamwork, training sessions, and other activities essential for the organization's optimal functioning and growth. Notably, this investment allowed for the establishment of engineering and management offices within the cooperative.

CECOMIP (PUNO MINING AND METALLURGICAL COOPERATIVES CENTRAL) FRANCISCO UNO MINE

- CECOMIP also invested a portion of its premium to participate in PERUMIN, one of Latin America's most significant mining conventions, where mining professionals and buyers gather to explore industry innovations and foster connections. In 2022, **CECOMIP showcased its process for achieving Ecological Fairmined certification to participants, offering a step-by-step account from certified gold production to responsible market export.**

2. Enhancing the Well-Being of Workers and their Families

Thanks to the investments made with the received premium, CECOMIP was able to implement significant improvements to the facilities used by the ASMO's workers during their periods of work at the mining organization, thus contributing to enhancing their overall well-being. These facilities serve as the miners' temporary homes while working, considering the long distances between the rural mining areas and the urban areas where the workers typically reside.

The primary investments made by the ASMO included:

- Purchase of wardrobes and clothing racks to enhance the comfort of the resting area used by the supervisors of the Francisco Uno mine.

- Acquisition of new furniture for the kitchen at Francisco Uno.

- Installation of a solar thermal heating unit for bathrooms. Given the high-altitude location of the mining organization, where temperatures can be extremely cold, the Cooperative procured this device to heat the workers' bathwater using solar energy, ensuring it is stored and available for miners' use.

- Distribution of personal hygiene kits and provision of new blankets.

CECOMIP also places great value on recognizing and appreciating the dedication of its members and workers through events that commemorate significant occasions. In this regard, CECOMIP celebrated Miner's Day, during which it formally acknowledged the vital role played by the members of the ASMO in the organization's growth. This event benefited 350 miners.

3. Fostering Community Development

CECOMIP, the mining organization, is characterized by **having an active role in promoting the development and well-being of the surrounding communities** where it conducts its mining activities. Below are the main investments made by CECOMIP in the past year, along with the context of these investments.

As previously mentioned in this report, the economy of the Puno region is also reliant on livestock production. In 2022, CECOMIP allocated a portion of its premium

CECOMIP (PUNO MINING AND METALLURGICAL COOPERATIVES CENTRAL) FRANCISCO UNO MINE

to support the community with small-scale infrastructure investments required for this activity. This initiative benefited 400 families across four communities (Peña Azul, Chuquine, Belen, and Ananea) in the district of Ananea.

Furthermore, CECOMIP actively participated in **conservation efforts** in 2022. Vicuñas, South American camelids, are a national symbol of Peru and are a central part of life in the District of Ananea, alongside mining and trade. Many families in the region depend on the wide pastures of the mountains to feed their vicuñas. While these animals were in danger of extinction in the 1970s, conservation efforts have yielded great results, as they are no longer considered endangered. However, it remains crucial to sustain these efforts to ensure the continued viability of vicuña husbandry. Therefore, in the Chachu area, CECOMIP chose to invest part of its premium in support of these conservation initiatives.

The Department of Ananea has 30 schools, most of which are located in the towns of La Rinconada, Cerro Lunar de Oro, and Ananea. However, much like in Colombia, rural areas and small communities in Peru often grapple with inadequate or nonexistent school infrastructure and low educational quality. In this context, **CECOMIP has been instrumental in establishing and supporting a CEBA (Alternative Basic Education Centers) in the region.** CEBA centers were created in Peru under the protection of General Education Law No. 28044 and are institutionalized as an educational modality equivalent to Regular Basic Education in terms of quality and learning outcomes. They emphasize vocational preparation and the development of entrepreneurial skills for adolescents, young people, and adults who, for various reasons, did not have access to Regular Basic Education or could not complete it.

CECOMIP also invested a portion of its premium to provide **musical instruments, computers, and photocopiers to schools responsible for elementary and high school education in the region.**

Additionally, it invested in furniture and educational materials for CEI N. 821, a kindergarten located in the Ananea district.

Presently, the district of Ananea is home to four health centers located in its most populated areas: Trapiche, Ananea, Rinconada, and Lunar Oro. While the Ananea health center is in proximity to the cooperative and neighboring communities, it can only provide basic care. Therefore, accessing health services for more complex procedures or specialized consultations can be challenging, given the limited nearby infrastructure and the considerable distances that must be traveled for specialized medical care. This challenge is exacerbated by the economic situation of rural communities. Prevention and health always go hand in hand, with prevention being a top priority. In this context, it becomes even more critical. Therefore, in 2022, CECOMIP organized health campaigns in two different communities, Chuquine and Peña Azul. These campaigns offered general medical services, ultrasound exams, psychotherapy sessions, nursing care, and the donation of necessary medicines to the members of the beneficiary communities.

ORO PUNO MINING ORGANIZATION

Watch video

LOCATION:
Puno, Peru

CERTIFIED SINCE:
2018

NUMBER OF WORKERS:
26 men, 2 women

TYPE OF EXTRACTION:
Alluvial

FAIRMINED PREMIUM | INVESTMENT IN 2022:
USD 131,884.05

The mining organization Oro Puno was established in 2010 in the Ananea District, located within the Central Andes mountain range. It sits in close proximity to the snow-peaked La Rinconada, at an elevation of about 4,500 meters above sea level, where temperatures can plummet as low as -15 degrees Celsius and rise to 18 degrees Celsius. The residents of this region predominantly speak Quechua and have a cultural heritage deeply rooted in their indigenous roots, which includes the husbandry of Andean camelids such as alpacas and llamas. Oro Puno engages in this practice alongside its gold mining activities.

Oro Puno's mining operations involve excavating a glacial moraine deposit, a unique type of material left behind by retreating glaciers. These deposits can be found spanning from Apolobamba in Bolivia to Acocala in Peru. The region is also characterized by vast natural pastures and the presence of two water basins, the Grande and Suches Rivers, which feed into the Lake Titicaca. Additionally, numerous lakes can also be found along its territory.

In 2016, the organization took a significant step towards responsible environmental practices by acquiring its first gravimetric table, enabling a mercury-free recovery process. This initiative marked the beginning of broader efforts, and in 2018, Oro Puno achieved the distinction of becoming the first Peruvian mining organization in its sector to obtain **Fairmined Ecological Gold Certification.** This certification guarantees that its extraction and production processes are free from mercury and cyanide, in addition to recognizing other critical practices inspired by the Standard. These practices help the organization reduce its environmental footprint, promote sustainability within the mining organization, enhance the well-being of miners and their families, and contribute to the development of the surrounding communities.

Being at the forefront of environmental best practices is essential not only for conserving this important ecosystem but also for demonstrating that the ASM sector can play a role in mitigating climate change. This challenge necessitates collective efforts from various sectors worldwide. Unfortunately, the impacts of climate change are already affecting countries and populations, as seen in Peru. In recent years, the El Niño phenomenon has intensified, leading to severe winter conditions that have damaged infrastructure and communication routes in the country. It has also caused mudslides and floods, resulting in the destruction of school classrooms and healthcare facilities. Moreover, it has caused extensive crop loss and the death of tens of thousands of farm animals.

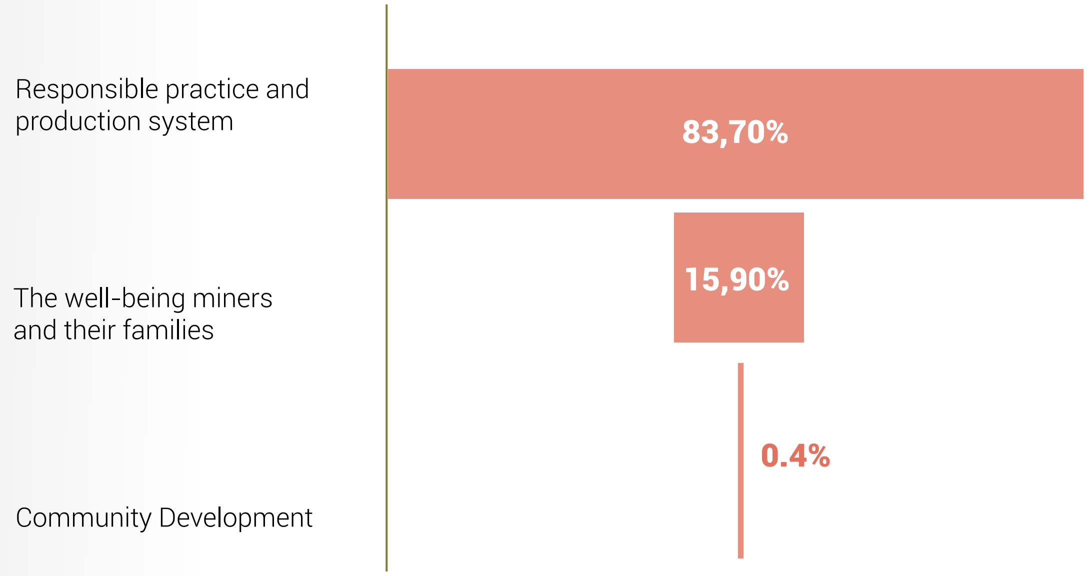
Leading by example with best practices, such as those implemented by Oro Puno, can inspire other ASMOs to follow its pathway and contribute to mitigation efforts. These initiatives not only have a positive impact on various fronts and stakeholders inspired by the standard today and in the future.

INVESTMENT IN 2022 | LEVELS OF RESPONSIBILITY

In 2022, Oro Puno received a **Fairmined premium of USD 98,887,** in addition to savings from the previous year. While a significant portion of the premium was invested within the year, Oro Puno decided to allocate a portion of it as savings for priority projects to be implemented in 2023. The investments made in 2022 were allocated across the three levels of responsibility, as described in the table and graph below:

LEVELS OF RESPONSIBILITY	COMPLIANCE RATE	TOTAL INVESTED IN USD
Strengthening the mining organization's responsible practice and production system	83.7%	110,396
Enhancing the well-being of workers and their families	15.9%	20,907
Fostering community development	0,4%	581
TOTAL	100%	131,884

PREMIUM INVESTMENT | 2022



INVESTMENT IMPACT

1. Strengthening the Mining Organization´s Responsible Practice and Production System

In 2022, Oro Puno directed investments towards enhancing its productivity by implementing a new chute with their respective channels to optimize the production and recovery of gold material within the mining unit. The chute represents a widely used processing method in alluvial gold mining. It consists of large funnels, known as hoppers, lined with synthetic materials, through which extracted material flows and is washed using pressurized water jets. The resulting mixture undergoes filtration in channels lined with either natural jute fiber or plastic. Within these channels, gold particles are captured, while the remaining solid material is discarded.

According to Oro Puno, the introduction of this new chute significantly boosted production, reduced time and costs compared to the previous rudimentary and less efficient process. Furthermore, it led to a 70-80% increase in water recovery. However, due to the high-altitude location and frost conditions, the mining organization must commit to regular maintenance and refurbishment of the chute every three months to ensure optimal performance.

In a bid to lower costs, enhance productivity, improve safety, and contribute to substantial climate change mitigation by reducing its carbon footprint, Oro Puno invested in a feasibility study to connect its operations to the municipality's energy infrastructure. This initiative has the potential to reduce monthly diesel consumption by 3,500 gallons. The study yielded positive results and Oro Puno plans to commence project implementation in 2023.

Another investment aligned with environmental priorities was reforestation efforts made at one of Oro Puno's closed mine sites. This action not only fulfills a legal requirement in Peru but also underscores Oro Puno's commitment to environmental responsibility by respecting and restoring the natural environment following the cessation of its mining activities.




Furthermore, Oro Puno made several infrastructure-related investments, including:

- Acquisition of communication radios, enhancing communication effectiveness among workers operating in areas with low signal coverage within the mining organization's perimeter. This improvement facilitates better coordination, safety, and surveillance.

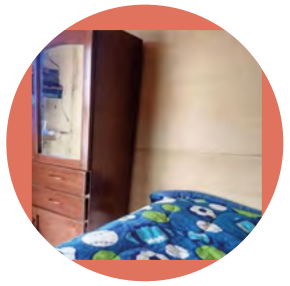
- Purchase of desks, printers, and other essentials for use by miners and administrative staff, fostering a more comfortable and efficient work environment.

- Acquisition of two rural vans (minivans) to enhance mobility and logistics in the day-to-day operations of the mining organization. These vehicles also serve to transport miners and workers between the rural mining site and urban centers. Oro Puno's location in a remote rural area makes transportation a logistical challenge.


- Installation of a lightning rod at the mining unit, known as FADE-I. This metal structure is designed to attract lightning strikes, providing a controlled point of impact to prevent damage to the mining organization's infrastructure and ensure the safety of workers during thunderstorms. This investment significantly contributes to miners' safety.

2. Enhancing the Well-Being of Workers and their Families

As mentioned previously, the region's context involves extremely harsh weather conditions. Additionally, many of the workers have their homes located far from the mining site. Therefore, it is crucial for the mine to provide adequate infrastructure and supplies to ensure that workers can reside and rest comfortably during their shifts at the mining site. In line with this, Oro Puno utilized a portion of its premium to supply all of its workers with overalls, sweaters, and jackets for the cold season. The mine also made investments in closets and new bedspreads for miners' accommodations.



Oro Puno also invested in equipment for personal protection, including new helmets with mining lamps.

Furthermore, Oro Puno initiated the implementation of a synthetic grass field in 2022. The groundwork for this project was prepared during the year, with the expectation that the project will be completed in 2023. This field will provide a better recreational and leisure infrastructure for the miners, further enhancing their well-being.

3. Fostering Community Development

This region of Peru relies heavily on subsistence livestock farming, which has been significantly impacted by climate change, leading to harsher winters and negative effects on pasture areas for the animals. With this in mind, Oro Puno aimed to mitigate these impacts and enhance the resilience of surrounding communities by investing in 45 bales of oats, which were donated to livestock owners.

In addition to supporting livestock farming, Oro Puno also contributed to the community by providing bicycles to children. This initiative was part of the Earth Day celebration organized by the municipality and the bicycles were awarded as prizes to contest winners during the event.

CRUZ PATA CHAQUIMINAS MINING ORGANIZATION

Watch video

LOCATION:
Puno, Peru

CERTIFIED SINCE:
2020

NUMBER OF WORKERS:
36 men, 2 women

TYPE OF EXTRACTION:
Alluvial

FAIRMINED PREMIUM | INVESTMENT IN 2022:
USD 61,472

Cruz Pata Chaquiminas Mining Organization is also situated in the province of San Antonio de Putina in the department of Puno, at an even higher elevation of 4,610 meters above sea level. Visitors to Cruz Pata are welcomed by the snow-capped Ananea mountain in the Andes Mountains. The local economy is primarily based on artisanal and small-scale mining, as well as camelid husbandry. Additionally, there are several subsistence farming communities in the areas of Limata, Trapiche, Cajón Huyo, Poquera, Chuquine, Belen, and Ananea. The main social challenge faced here is the internal migration, a prevalent reality in the region where Cruz Pata Chaquiminas is located.

This region, characterized by alluvial deposits containing gold, has a history of informal mining that has had negative impacts on both the environment and local communities, often resulting in violent invasions of peasant lands. However, following initial regulation efforts by the Peruvian government, Mr. Agustín Pachari, the founder of Cruz Pata Chaquiminas, was able to acquire a mining title, marking the beginning of Cruz Pata's journey towards formalization in 2006.

Since then, the region has seen the emergence of more formalized organizations and miners, alongside informal miners in the process of formalization. Unfortunately, illegal mining operations still persist, leading to a complex and sometimes dangerous coexistence between these various actors. Moreover, this situation has negative environmental impacts, such as the increased concentration of mercury in the Ramis river basin in recent years.

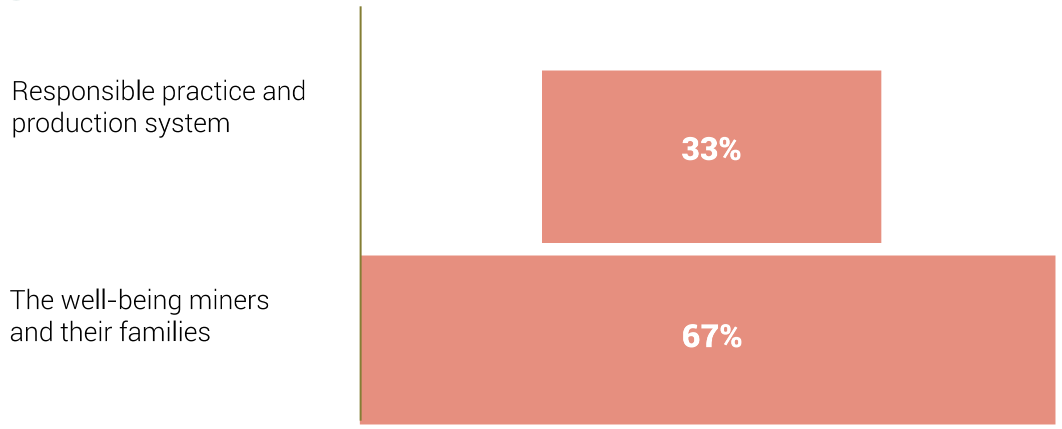
In this challenging context, Cruz Pata Chaquiminas completed its Fairmined certification process in March 2020. For the Cruz Pata team, this certification represents responsible mining, environmental stewardship, safe working conditions, and the promotion of a better quality of life for their workers and the surrounding community. Despite the challenges posed by the COVID-19 pandemic, the organization successfully conducted its first certified gold export within a year after obtaining certification. Since its initial certification, Cruz Pata has made significant improvements in working conditions and environmentally responsible practices. Additionally, it has implemented robust tracking of its gold and supply chains to ensure that its value chain remains free of conflict and poor practices.

INVESTMENT IN 2022 | LEVELS OF RESPONSIBILITY

In 2022, Cruz Para received a **Fairmined premium of USD 62,420** for its sales and invested the entire premium within the same year. Cruz Pata allocated its premium to two out of the three existing levels of responsibility in 2022, as it had not yet reached the third year of its Fairmined certification.

LEVELS OF RESPONSIBILITY	COMPLIANCE RATE	TOTAL INVESTED IN USD
Strengthening the mining organization's responsible practice and production system	33%	20,525
Enhancing the well-being of workers and their families	67%	40,947
TOTAL	100%	61,472

PREMIUM INVESTMENT | 2022

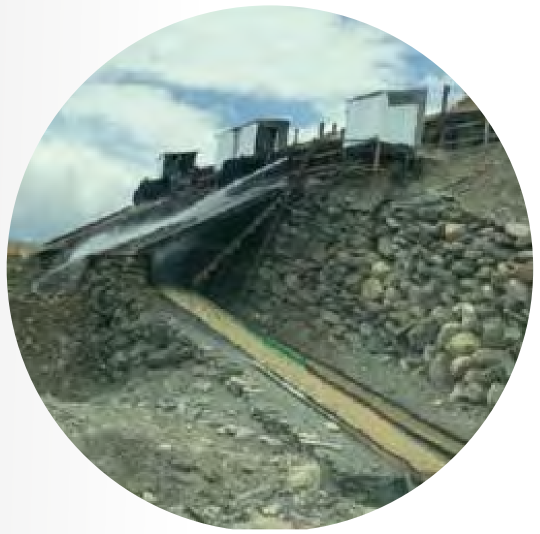


CRUZ PATA CHAQUIMINAS MINING ORGANIZATION

INVESTMENT IMPACT

1. Strengthening the Mining Organization's Responsible and Production System

Cruz Pata Chaquiminas also made investments aimed at enhancing its productivity by continuing to implement chutes with their respective channels. This optimization was intended to improve the production and recovery of gold material in the mining unit. The chute is the primary processing method used in alluvial gold mining. It consists of a circuit formed by large funnels called hoppers, lined with synthetic material, through which the material extracted flows and is washed with the assistance of pressurized water jets. The resulting mixture is filtered through channels lined with either jute (a natural fiber) or plastic. In these channels, the gold particles are retained, while the remaining solid material is discarded.



The implementation of this new technology has increased production, reduced time, and lowered costs as the previous process was rudimentary and less efficient. Currently, Cruz Pata is able to recover 50% of its gold, expecting to implement new chutes with technical modifications (such as changes in inclination angle) in the mining process in 2023. Additionally, it aims to ensure the maintenance and renovation of the chutes already in place to achieve a 70% recovery rate.

2.Enhancing the Well-Being of the ASMO workers and their families

As previously mentioned, the region experiences extremely harsh weather conditions. Moreover, many of the workers reside far from the mining site. Therefore, it is crucial that the mine provides adequate infrastructure and supplies to ensure the well-being of workers during their stays at the mining site. In line with this perspective, Cruz Pata used a portion of its premium to improve the campsite and enhance the overall well-being of workers in its facilities.

The ASMO plans to prioritize and complete this project in 2023, addressing any unfinished aspects from 2022.

CRUZ PATA CHAQUIMINAS MINING ORGANIZATION

Another significant investment was related to the initiation of a surveillance project at the mining site, considering the dangerous situation in the region as previously described. In this regard, Cruz Pata took the initial step in 2022 by constructing surveillance headquarters, which is set to be completed in 2023. The subsequent phase involves the implementation of surveillance cameras throughout the mining site and the creation of a dedicated team responsible for ensuring 24-hour surveillance. This initiative aims to enhance the protection and safety of workers, as well as safeguard the infrastructure and production of the mine.

Cruz Pata also invested in equipping miners working in the mine. Given the harsh climate and environmental conditions, maintaining proper clothing and appropriate tools is essential for the safe and effective execution of work in the mine.

These investments included thermal overalls, helmets, safety vests, gloves, drill pants, dark eyewear, boots, flashlights, overalls, PVC ponchos, among other implements.

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