



How We Make a Difference in Our Communities

Tahoe's Corporate Social Responsibility Activities

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Minera San Rafael Releases 2014 Social Report

Tahoe Resources Inc.'s subsidiary and operator of the Escobal mine, Minera San Rafael (MSR), released its second annual Social Report in the third quarter, highlighting its 2014 sustainability framework and social performance. The Social Report reflects the company's commitment to operate in a socially responsible manner.

In the spirit of sustainability reporting, the Social Report presents the progress made and challenges faced by MSR throughout 2014. It also contains advancements in MSR's key social development initiatives, demonstrating the company's dedication to strategic and comprehensive sustainable development. "Last year was a significant year for MSR, with the Escobal mine completing its first full year of commercial production. Due to this change in the operation's life cycle, our sustainability framework is also transitioning into a rights-based approach to better support our local communities. According to United Nations agencies, a rights-based approach aims to enhance the capacity of individuals and institutions to carry out their obligations as expressed in laws, policies and programs. This strategy is designed strengthen our local communities in the long-term with skills and resources that will outlast our mining operations," said MSR Sustainability Director, Guillermo Monroy.

To accomplish its strategic objectives, MSR invested approximately USD\$4.6 million on more than 120 social projects and programs, assisting approximately 161,000 beneficiaries. Performance areas highlighted in the 2014 Social Report include engagement, communicat-



ing with approximately 7,500 stakeholders; education, providing more than 200 educational scholarships to San Rafael las Flores

students; nutrition, investing approximately USD\$1,782,600 to support an integral nutrition program for rural Guatemalan families; environmental stewardship, reforesting 165 hectares in the Santa Rosa department; and local infrastructure, financing two community water system studies and a community drainage system study to improve water and sanitation services. Additional 2014 Social Report highlights are located on page four, and MSR's full report is available at Tahoe's website (TahoeResources.com).

In 2015, MSR continues to advance many of the programs highlighted in the 2014 Social Report in addition to adopting new ones.

Rio Alto Supports Guinea Pig Husbandry Advancements

For many small farmers in Peru, raising guinea pigs is a business that helps provide economic stability and improves quality of life. Tahoe Resources Inc.'s Peruvian subsidiary, Rio Alto, in combination with the Canadian nongovernmental organization, the Society for Cooperation in International Development (SOCODEVI), partner to provide guinea pig husbandry and business management training to agricultural cooperatives in the districts of Cachachi, Condebamba and Cajabamba near the Shahuindo gold mining project.

The native animal—called *cuy* in Spanish—has been a food source for Peruvians since before Inca times. This continues today, with Peruvians eating approximately 65 million grilled or deep-fried guinea pigs each year. The popularity of the guinea pig stems from its affordability and lean, high-protein meat. The food source is so highly regarded that in 2013, the Peruvian Ministry of Agriculture and Irrigation created National Guinea Pig Day on the second Friday of every October in order to celebrate the animal that has provided nutrition to Peruvians and helped maintain sufficient food supply throughout the country.

Guinea pigs bred by an agricultural cooperative located near the Shahuindo gold mining project.

Due to the guinea pig's prominence in Peru, many small farmers in the Condebamba Valley—located near the Shahuindo gold mining project—have expanded their agriculture activities to become guinea pig producers as an added source of income. However, informal training and lack of resources have led to breeding difficulties due to improper environmental conditions such as inadequate cage infrastructure. Farmers cannot sell unhealthy guinea pigs and business suffers. Consequently, Rio Alto has partnered with SOCODEVI to support local farmers' participation in agricultural cooperatives and a four-year training program to improve breeding practices and business management skills.

To begin the partnership with local guinea pig producers, Rio Alto and SOCODEVI conducted seminars to raise awareness about the benefits of agricultural cooperatives with a complementary four-year husbandry and business management training program. Cooperatives are owned and run by members who work together for shared profits.

Cooperative members accomplish more together than individually with increased opportunities to advance through access to credit, training, marketing and technology. As a result of the seminars, approximately 85 local farmers are members of a cooperative and participate in the four-year program that provides for internships, technical assistance and workshops. To date, participants have attended guinea pig management workshops about proper biosecurity practices (to prevent the transmission of infectious diseases), nutrition practices (such as planting alfalfa for consumption) and adequate cage construction (including proper ventilation and light access). Participants have also learned appropriate techniques and methods to package guinea pigs for market sale. In addition, cooperative members receive technical visits at their farms and have the opportunity to intern with experienced guinea pig producers to learn breeding best practices. Members also receive on-going business management training to improve their cooperative's business model and financial practices.



During this four-year program, the project will also support the installation of a veterinary clinic, supply shop and slaughterhouse for cooperative members' use. Through this guinea pig program, Rio Alto is helping to expand its local communities' economic opportunities, contributing to the reduction of poverty and improving food supply.

Tahoe donated over USD\$7,000 to the GoGua 2k15 program which worked with AsoPuentes to install equipment for 48 families to help alleviate malnutrition in one of the poorest indigenous areas in Guatemala.

MSR supports education advancements for local and regional communities at its vocational training center, which offers courses in 24 different areas including welding, apparel construction and computer skills.



Women Invest in Their Families' Futures

MSR is committed to preventing chronic childhood malnutrition in its local communities. The company is partnering with Asociación Puente (AsoPuentes), a well-respected Guatemalan non-governmental organization, to implement a tried-and-true food security and nutrition program, *Aprendamos Juntas*, for 400 San Rafael las Flores (SRLF) female participants and their families.

An *Aprendamos Juntas* participant's child being weighed to measure his growth throughout the two-year program.

In the SRLF municipality, approximately 30 percent of children three years old and younger are chronically malnourished and 70 percent of SRLF citizens live in poverty. This type of malnutrition is caused by factors such as a mother's nutritional status during pregnancy, a child's nutritional intake and a child's environmental hygiene. Although malnutrition can lead to long-lasting negative effects such as cognitive damage and stunted growth, many mothers do not understand proper nutritional habits or have the resources to break the cycle of malnutrition. To address this serious problem, MSR is supporting the two-year *Aprendamos Juntas* program for 400 SRLF female participants. The program is designed to educate women of reproductive age about habits for better health, and to build confidence and skills to run a small business for economic stability. In addition, participants' children are weighed and measured throughout the program in order to track their progress.

"Every mother plays a key role in her child's development. Her practices and actions will have a direct impact on her child's life," said AsoPuentes Executive Director, Silvia Estrada. Accordingly, *Aprendamos Juntas* participants learn family nutrition and household management initiatives, such as growing vegetables for home consumption and proper food safety and hygiene practices, such as the importance of water filters. Second, to mitigate economic instability and to invest in their children's futures, participants develop a business model and build a micro-business. "Women in our program start businesses that match their entrepreneurial interests and knowledge. We have found that the entrepreneurial spirit is alive and growing among communities, and the ability to start a business and generate income is tangible everywhere," said Estrada. Previous participants have



produced and sold goods such as bracelets, purses, candles and ice cream, and started animal husbandry businesses raising and selling livestock.

The program employs local technicians who assist participants with implementing their business plans. Once a participant's business plan is final, she receives a small grant to cover start-up costs. After the business is up and running, participants join savings groups composed of 15 to 25 local businesswomen to invest their income and to grow their capital. The savings group meets regularly to contribute to the community fund that functions as a bank. Each member is charged a service loan and through the built interest, the group can provide loans to members either to grow their business or to use for emergencies. The group dynamic also incentivizes women to pay back the loan. "Through these efforts, participants have the opportunity to buy needed goods with their micro-business income and savings. Women are encouraged to invest in goods that positively impact their families' overall health, such as water filters, medicine, nutrient-rich food and solar panels. This enables them to become actors of their own development," said MSR Sustainability Director, Guillermo Monroy.

MSR will continue to support its first cohort of participants and additional cohorts throughout 2015 and 2016. Through the sponsorship of the *Aprendamos Juntas* program, MSR aspires to alleviate childhood malnutrition and to create long-term positive change in its local communities.

Tahoe Resources Inc. Supports Local Education

Tahoe Resources Inc. values education and understands that access to school supplies is vital for educational success. Since 2011, employees at the Reno, Nevada corporate office have raised nearly USD\$5,000 for school supplies and clothes to assist low-income northern Nevada schools and families.

The tradition of Tahoe's annual school supply fundraiser originated from the Company's first office location in Reno. "In 2011, Tahoe's corporate office was located near a low-income middle school, and we wanted to support those students. As a result, Tahoe's employees raised money to provide 85 students with school supplies on their first day of school. Every year since then, we have continued to sponsor local education initiatives," said Tahoe Office Administrator, Wendy Jarding. In addition to assisting a local middle school, Tahoe's employees contributed to three local elementary schools buying essential classroom items, including construction paper, pencil boxes, folders, notebooks, rulers, glue sticks and markers.

For the 2015 school year, Tahoe partnered with the United Way of Northern Nevada and the Sierra (UWNNS) to adopt a family of five. "Many low-income families do not necessarily qualify for assistance, but still need to buy school supplies. The United Way functioned as a facilitator for Tahoe's back to school fundraiser, pairing the Company with a local family in need," said UWNNS Community Engagement Associate, Andrea Lalen-Kasten. The employees contributed USD\$1,370 to buy all the supplies needed, including class fees, backpacks, flash cards, hand sanitizer, scissors, pencil sharpeners and



watercolor paints. Each child was also equipped with six new outfits, two pairs of shoes, a winter jacket and other garments.

In addition to its annual school supply fundraiser, Tahoe supports other community initiatives in northern Nevada such as volunteering at the Food Bank of Northern Nevada and partnering with the UWNNS to sponsor families during the Christmas holiday. "Giving back to our communities is central to Tahoe, and together with our subsidiaries in Guatemala and Peru, we will continue to promote the development of the communities in which we work," said Ira Gostin, Tahoe Vice President Investor Relations.

MSR: 2014 BY THE NUMBERS



\$4.6 million
donated for social
projects

0

work-related
fatalities



884
Guatemalan
employees



553 home visits



316 veterinary services provided



2,816
school supplies donated

6

schools
renovated



100,000 trees planted

755

hours of volunteer time



1,762

stakeholder visits
to the Escobal mine

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