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September 5, 2019

Church of England Pensions Board and Swedish Council on Ethics for the AP Public Pension Fund

RE: Request for information concerning tailings dam management

Dear Mr. Matthews and Mr. Howchin,

Fortuna Silver Mines is a growth oriented, Canadian precious metals producer with its primary assets being the Caylloma silver mine in southern Peru, the San Jose silver-gold mine in Mexico and the Lindero gold Project, currently under construction in Argentina. Established in 2005, Fortuna is engaged in the exploration, exploitation, extraction and production of precious metals in Latin America.

Please find below information pertaining to all tailing storage facilities owned and operated directly and indirectly by Fortuna.

Tailings Management System and Management of Risk

All tailings storage facilities (TSF) operated by Fortuna are subject to our *Tailings and Heap Leach Management Standard*, which requires that we locate, design, build, operate and close our TSF and our future heap leach facilities (HLF) according to a risk-based approach with site-specific data or as otherwise specified by local regulatory requirements, whichever is more stringent.

Fortuna's *Tailings and Heap Leach Management Standard* focuses in particular on the following areas throughout the life (including closure) of our TSF and HLF:

1. TSF and HLF integrity: design, construction, operation and maintenance.
2. TSF and HLF governance: at the owner, responsible engineer and engineer of record levels.
3. Monitoring, surveillance and audit: through geotechnical instrumentation, safety reviews and inspections, qualified professional engineer.
4. Emergency preparedness and response: including monitoring conditions, assessing and mapping potential impacts, testing and training in emergency preparedness.

As part of Fortuna's risk management protocols, we continually assess our tailings dam management systems. Since last year Fortuna has planned and executed a comprehensive review of all of our tailings facilities. The following actions resulted from that review:

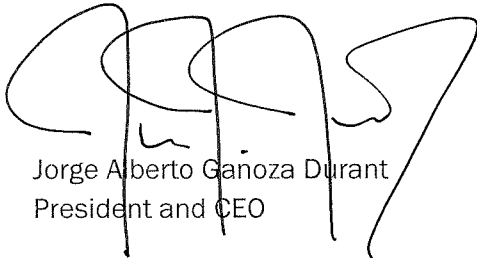
1. Annual independent audit plan of all TSF and HLF was conducted and reported to Fortuna's Sustainability Committee

2. Assignment of an *Engineer of Record* for each TSF and HLF. Final appointment is pending formal documentation.
3. Pond and pumping capacity on selected TSF were increased as a redundant emergency control measure.
4. Stormwater management plans were reviewed and updated.
5. The Operation, Maintenance and Surveillance manuals for all TSF were reviewed and updated in accordance with best practices.
6. Geotechnical monitoring equipment and control points were updated and increased at selected facilities.
7. The emergency response plans were reviewed and tested at each site.

For additional information on the management of our TSF including our TSF inventory, please contact info@fortunasilver.com.

We certify that the information supplied is correct and true to the best of our knowledge.

Sincerely Yours,



Jorge Alberto Ganoza Durant
President and CEO



Tailings Storage Facility Inventory

1. "Tailings Facility" Name	Bateas 1 Caylloma Mine (Arequipa, Peru)	Bateas 2 Caylloma Mine (Arequipa, Peru)	Bateas 3 Caylloma Mine (Arequipa, Peru)	Cuzcatlan Dry Stack San Jose Mine (Oaxaca, México)	Cuzcatlan Tailings Dam San Jose Mine (Oaxaca, México)
2. Location	Latitude: -15.205778° Longitude: -71.862184°	Latitude: -15.208540° Longitude: -71.863021°	Latitude: -15.231201° Longitude: -71.830093°	Latitude: 16.682722° Longitude: -96.705972°	Latitude: 16.683972° Longitude: -96.705611°
3. Ownership	Owned and operated by Fortuna´s subsidiary in Peru: Minera Bateas S.A.C.	Owned and operated by Fortuna´s subsidiary in Peru: Minera Bateas S.A.C.	Owned and operated by Fortuna´s subsidiary in Peru: Minera Bateas S.A.C.	Owned and operated by Fortuna´s subsidiary in Mexico: Compañía Minera Cuzcatlan de C.V.	Owned and operated by Fortuna´s subsidiary in Mexico: Compañía Minera Cuzcatlan de C.V.
4. Status	Closed ⁽¹⁾	Open	Open	Open	Open
5. Date of initial operation	Not available ⁽²⁾	2006	2013	2016	2011
6. Dam currently operated or closed as per currently approved design	No ⁽³⁾	Yes	Yes	Yes	Yes
7. Raising methodology	Other ⁽⁴⁾	Downstream	Downstream	Other ⁽¹³⁾	Downstream
8. Current maximum height	5.0 metres	35.0 metres	19.5 metres	22.5 metres	43 metres
9. Current Tailings Storage Impoundment Volume	58,141.02 m ³ ⁽⁵⁾	2,047,920.19 m ³	2,173,655.81 m ³	1,157,847 m ³	2,039,322 m ³
10. Planned Tailings Storage Impoundment Volume in 5 years' time	58,141.02 m ³	2,106,817.37 m ³	2,173,655.81 m ³	4,039,000 m ³	2,297,033 m ³



1. "Tailings Facility" Name	Bateas 1 Caylloma Mine (Arequipa, Peru)	Bateas 2 Caylloma Mine (Arequipa, Peru)	Bateas 3 Caylloma Mine (Arequipa, Peru)	Cuzcatlan Dry Stack San Jose Mine (Oaxaca, México)	Cuzcatlan Tailings Dam San Jose Mine (Oaxaca, México)
11. Most recent Independent Expert Review	June 2019	February 2019	March 2019	February 2019	February 2019
12. Relevant engineering records complete?	No ⁽⁶⁾	Yes	Yes	Yes	Yes
13. Hazard categorization	Low	Significant	Significant	Significant	Significant
14. Classification guideline	Canadian Dam Association Consequence Classification Ratings for Dams	Canadian Dam Association Consequence Classification Ratings for Dams	Canadian Dam Association Consequence Classification Ratings for Dams	Canadian Dam Association Consequence Classification Ratings for Dams	Canadian Dam Association Consequence Classification Ratings for Dams
15. Stability ever questioned?	Unknown	No	No	No	No
16. Internal/in house engineering specialist? External engineering support?	Yes and Yes ⁽⁸⁾	Yes and Yes ⁽¹¹⁾	Yes and Yes ⁽¹¹⁾	Yes and Yes ⁽¹¹⁾	Yes and Yes ⁽¹¹⁾
17. Dam breach study?	No ⁽⁹⁾	No ⁽¹²⁾	No ⁽¹²⁾	No ⁽¹²⁾	No ⁽¹²⁾
18. a) Closure plan in place? b) long term monitoring?	a. No ⁽¹⁰⁾ b. No	a. Yes b. Yes	a. Yes b. Yes	a. Yes b. Yes	a. Yes b. Yes
19. Climate change effects considered?	Yes	Yes	Yes	Yes	Yes
20. Other relevant information	See footnotes below	See footnotes below	See footnotes below	See footnotes below	See footnotes below



Footnotes for TSF Bateas 1

- (1) Question #4. This facility was acquired by the Company in 2005. Prior to this date the facility was operated by others. In accordance with local mining law, the Ministry of Energy and Mines (MEM) approved the Adaptation and Environmental Management Program (PAMA) for the Operation by Directorate Resolution 87-97-EM/DG issued on March 6, 1997, which mentioned that this TSF was closed at the time the PAMA was approved. As at the date of this response, the records at the MEM do not indicate that this facility is currently a tailings dam.
- (2) Question #5. This facility was acquired by the Company in 2005 and it was closed at the time of acquisition. See response to question 4 above. Prior to this date, the facility was operated by others, and the initial date of operation of the facility is unknown.
- (3) Question #6. This facility was acquired by the Company in 2005 and was closed at the time of acquisition. See response to question 4 above. The Company was not provided with original engineering records at the time of acquisition, and the Company cannot confirm the original design. The Company continues to search for pertinent information.
- (4) Question #7. This facility was acquired by the Company in 2005 and was closed at the time of acquisition. The Company was not provided with original engineering records at the time of acquisition. The crest raise methodology is not known.
- (5) Question #9. This facility was acquired by the Company in 2005 and was closed at the time of acquisition. The Company was not provided with original engineering records at the time of acquisition. The current tailings storage impoundment volume is estimated at 58,141.02 m³.
- (6) Question #12. This TSF was acquired by the Company in 2005 and was closed at the time of acquisition. See response to question 4 above. The Company was not provided with original engineering records at the time of acquisition. The Company continues to search for pertinent information.
- (7) Question #15. This TSF was acquired by the Company in 2005 and was closed at the time of acquisition. See response to question 7 above. Prior to this date the facility was operated by others. The Company was not provided with original engineering records at the time of acquisition. The Company intends to continue to search for pertinent information. The Company has found no records to confirm that an independent review highlighted any stability risk with respect to the TSF.
- (8) Question #16. Engineer of Record has been assigned. Final appointment is pending formal documentation.
- (9) Question #17. As the TSF was closed at the time of acquisition by the Company in 2005, the facility was not identified as a priority. The Company intends to conduct a formal impact analysis during the next 12 months.
- (10) Question #18. This facility was acquired by the Company in 2005. Prior to this date the facility was operated by others. In accordance with local mining law, MEM approved the Adaptation and Environmental Management Program (PAMA) for the Operation by Directorate Resolution 87-97-EM/DG issued on March 06, 1997, which mentioned that this tailing facility was closed at the time the PAMA was approved. The Company was not provided with original engineering records at the time of acquisition. The Company intends to continue to search for pertinent information.



Footnotes for TSF Bateas 2 | Bateas 3 | Cuzcatlan Dry Stack | Cuzcatlan Tailings Dam

- (11) Question #16. Engineer of Record has been assigned. Final appointment is pending formal documentation.
- (12) Question #17. The Company intends to conduct a formal impact analysis during the next 12 months.

Footnotes for Cuzcatlan Dry Stack

- (13) Question #7. Dry tailings are produced by passing a slurred tailings mixture through filter presses. These presses remove excess water from tailings. The output is a sand-like material that is then stacked and compressed.

