

# Mine closure

The closure of a mining operation's activities are an integral part of the mine's life cycle. Therefore, preparing for it in advance and continuously during the useful life of each project is a priority for Peñoles. Our Department of Closure and Closed Mine Management—in synergy with other areas of the company—coordinates the closure integration management, abiding by federal regulations applicable to the mining industry, as well as commitments to neighboring communities. The aim is to maintain the sites where the mine operation was located, guaranteeing its physical, chemical, and biological stability throughout the various phases of the mining operation, including closure, with a long-term vision.

Mine closure is a multidisciplinary activity that involves many departments, most importantly the planning, environmental, comptrollership, and operating areas, as well as neighboring communities and other stakeholders interested in the recovery, remediation, and stabilization of the mining site to ensure that it is environmentally rational, sustainable, and productive in the future.

Each operating unit is unique, so its particular characteristics are considered in preparing the methodology to ensure an environmentally safe and viable closure in environmental, technical and economic aspects, with the purpose of leaving a positive legacy in keeping with local regulations and the environmental, economic, and social context, including best practices for site closure and remediation processes. The process for the development and implementation of the guidelines for the closure and management of closed mines guarantees the allocation of resources—financial, human, and information, among others—to attend and execute the closure in the different stages and disciplines involved in the operation of each mining-metallurgical operation. This includes short-, medium-, and long-term planning, based on the information generated throughout the life of the unit, and according to the vision, principles, and objectives of the closure, thus making these activities more cost-efficient.

## Management

The purpose of conceptual planning for mine closure is to establish the criteria and guidelines for a successful and

cost-efficient closure of the unit, preparing in advance activities such as reshaping, rehabilitating, and recovering areas affected by the project. This allows for articulation into the landscape and into the way land is used in the region, avoiding environmental liabilities at the site. Conceptual closure activities generally begin during the pre-closure stage—three years before the unit stops operating—and continue during the closure stage, monitored and maintained according to plan during the post-closure period.

## Performance

All mining units have a conceptual closure plan, which establishes a guarantee fund—ecological reserve—to cover these activities. This fund is updated every year based on studies, estimates of conditions, and updated costs to manage progressive closure activities.

The closure methodology is reviewed every five years for Peñoles' mines and every three years for Fresnillo plc mines, or when there is a significant change in the operation. In 2023, the conceptual closure plan for one of Fresnillo plc's mining units was updated as part of the conceptual closure update program.

In the case of Peñoles' mines, geochemical modeling is currently under way for eight of its operating units, providing information for the design for the closure methodology.

Nurseries are maintained at the operating units for the propagation of specimens to be used in progressive restoration. In the Noche Buena unit, for example, we have a nursery with a production capacity of 150,000 seedlings, which will be used in the restoration of the site.

The implementation of progressive closure activities enables us to specify the closure methodology based on studies that ensure the physical, chemical, and biological stability of the site. This will allow us to give the land a future use during the post-closure stage—leaving behind a positive mining legacy.

## Case study - Bismark: Closure plan progress

By the end of 2023, we have achieved the following:

- Reforestation of **61 ha** with **67,475 trees** native to the region.
- Survival rate of **88% in trees** planted in the reforested areas.
- **Reforestation** with plants native to the region—huizache, mesquite, gobernadora, and yucca.
- **Wildlife monitoring** in the reforested area, as part of the habitat recovery indicators for the area's wildlife.
- **Relocation** of 22 wildlife specimens, the most common of which is the western diamondback rattlesnake (*Crotalus atrox*).
- **Continued recovery** of impacted areas through reforestation and soil conservation works.

