



Modern Slavery Report

2023

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About this Report

Pursuant to section 11 of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) for the financial year ended December 31, 2023, following are the steps taken to reduce the risk that Modern Slavery is used at any step of the production of goods or services in Canada or elsewhere or of goods imported into Canada.

Introduction

At San Lorenzo Gold Corp. (TSX-V: SLG) (“San Lorenzo”, or “the Company”), we acknowledge the pervasive threat of modern slavery, encompassing various forms such as indentured servitude, human trafficking, forced labor, forced marriage, debt bondage, child labor, and deceptive labor recruitment practices (collectively referred to as "Modern Slavery"). Recognizing our role alongside other stakeholders in combating Modern Slavery, we understand the importance of assessing and mitigating these risks, as encouraged by regulatory frameworks like the Act.

San Lorenzo is steadfast in fostering a responsible supply chain, engaging with partners who share our dedication to ethical conduct and workplace respect, which forms the cornerstone of our integrity-driven business approach. Committed to upholding human rights in line with applicable laws and international standards. San Lorenzo continually strives for the identification and mitigation of Modern Slavery risks throughout our supply chain and operations. We champion a culture of continuous improvement and collaboration with all relevant stakeholders to uphold these commitments across our operations.

This report covers the below noted reporting entities:

Reporting Entity	Business Description & Activities
San Lorenzo Gold Corp.	Acquisition and development of mining properties in Chile

Activities

San Lorenzo’s principle business activities is the acquisition and development of mining properties in Chile. The Company currently has a no employees but utilizes 8 to 10 professional contractors primarily in Chile and two in Alberta, Canada as required.

Supply Chain

San Lorenzo primarily procures goods and services from suppliers within Chile. The types of suppliers primarily consist of service providers, along with some providers of goods, typically encompassing a range of materials and equipment essential for mining exploration. Typical goods and services procured are as detailed below:

Supplier Product/Service Type	Supplier Location	Description
Mining Drilling and Assays	Northern Chile	Drilling exploration bore holes, extracting core samples and having them assayed
Supplies & Equipment Transportation	Northern Chile	Trucking services to move supplies and equipment within Northern Chile
Facility Development & Maintenance	Northern Chile	Construction and maintenance management, emergency repairs, equipment installation, etc.
Office Supplies	La Serena, Chile	Furniture, computers and equipment, software, etc.

Assessing Our Risk

Identifying Risks Related to Exposure to Modern Slavery in San Lorenzo’s Supply Chain:

1. Geographic Location of Supply Chain:

- **Risk:** San Lorenzo’s supply chain may extend to regions in Chile where modern slavery practices are prevalent, increasing the risk of exposure to unethical labor practices.
- **Rating:** Low
- **Explanation:** Certain regions, especially those with weaker labor regulations or enforcement mechanisms, pose a higher risk of modern slavery within the supply chain. San Lorenzo’s operations in Northern Chile, and the utilization of primarily local service-based suppliers strongly mitigates this risk.

2. Supplier Practices in High-Risk Industries:

- **Risk:** San Lorenzo may source materials or services from industries with a higher likelihood of modern slavery practices, such as agriculture, construction, or manufacturing.
- **Rating:** Low
- **Explanation:** Industries known for labor-intensive processes or where subcontracting is common are at higher risk of modern slavery. The specialized nature of San Lorenzo’s industry greatly lowers the risk of modern slavery within the supply chain.

3. **Regulatory Environment and Enforcement:**

- **Risk:** Weak or inadequate regulatory frameworks and enforcement mechanisms in certain regions may facilitate modern slavery practices within San Lorenzo's supply chain.
- **Rating:** Low
- **Explanation:** Variation in labor laws and enforcement across jurisdictions may create loopholes or gaps that enable modern slavery practices. San Lorenzo's suppliers primarily operate in Northern Chile, an area with a strong regulatory framework around modern slavery practices.

4. **Global Economic Factors:**

- **Risk:** Economic factors such as poverty, unemployment, and economic instability in supplier regions may increase the vulnerability of workers to exploitation and modern slavery practices.
- **Rating:** Low to Moderate
- **Explanation:** Economic conditions in supplier regions can influence labor practices and increase the likelihood of modern slavery. San Lorenzo's presence on Chilean government leased land constitutes a slight increase in the risk factor.

5. **Supply Chain Complexity and Subcontracting:**

- **Risk:** San Lorenzo's supply chain may involve complex networks of subcontractors or intermediaries, increasing the difficulty of monitoring and mitigating modern slavery risks.
- **Rating:** Low
- **Explanation:** San Lorenzo's supply chain consists primarily of local service providers and therefore is not considered to be complex.

Managing Risks Related to Exposure to Modern Slavery in San Lorenzo's Supply Chain:

San Lorenzo engages in various activities to manage supplier risk as related to the Act. This includes, but is not limited to the following:

1. **Supplier Due Diligence:** San Lorenzo conducts due diligence on all its suppliers, including those located in Canada and abroad, to ensure compliance with ethical standards and alignment with the Company's code of conduct. This due diligence process includes assessing suppliers' reputations, conducting site visits where feasible, and reviewing relevant publicly available documentation.

2. **Supply Chain Transparency:** By utilizing a supplier code of conduct, San Lorenzo promotes transparency within its supply chain, encouraging suppliers to disclose information about their labor practices and supply chain management processes.
3. **Localized Supply Chain:** San Lorenzo's operations primarily rely on suppliers located in Northern Chile, with minimal exposure to international supply chains. This localization reduces the risk of modern slavery within the supply chain, as Chile has strong legal frameworks and labor standards in place to prevent such practices.
4. **First Nations Engagement:** Given that much of San Lorenzo's operations are on Chilean government leased land, the Company actively collaborates with Indigenous communities to ensure mutual respect, understanding, and adherence to cultural values and alignment on shared ethical values. This collaboration extends to support economic development initiatives within these communities.
5. **Continuous Improvement:** San Lorenzo is committed to continuous improvement in its supply chain management practices. As part of this continuous improvement, in addition to the high ethical standards detailed in the Company's code of conduct, the Company has created and implemented a dedicated policy specifically to assess and mitigate risks related to modern slavery for 2024 and beyond.

After thorough evaluation, San Lorenzo has determined that the likelihood of encountering modern slavery within its supply chain is minimal. This conclusion is based on comprehensive assessments and considerations of numerous factors. As a result, San Lorenzo remains confident in the integrity of its supply chain practices and alignment with ethical standards.

Policies & Governance

At San Lorenzo, we prioritize the interests of our stakeholders in every decision we undertake. Our Board of Directors diligently oversee the prudent management of our business operations in the Salvador, Punta Alta and Nancagua areas of Northern Chile. Our governance framework is fortified by policies and processes that delineate the responsibilities of our Board and Executive Leadership Team.

We are committed to upholding the highest standards of corporate governance to maintain the trust and confidence of our stakeholders. The following policies directly support this commitment:

Company Code of Conduct

San Lorenzo's code of conduct outlines the ethical principles and standards expected of all stakeholders, emphasizing compliance with laws and regulations, fair treatment, transparency, and accountability. It promotes integrity, honesty, and responsible decision-making across all business activities, ensuring the protection of the Company's reputation and interests. The code covers a wide range of areas, including safety, non-discrimination, conflicts of interest, confidentiality, financial transparency, and compliance with securities laws. It provides clear guidelines for reporting and addressing any violations or concerns through a structured complaints procedure and fostering a culture of accountability.

By articulating clear expectations and procedures for ethical conduct, San Lorenzo's code of conduct establishes a framework for maintaining trust, fostering a positive corporate culture, and mitigating risks associated with unethical behavior including exposure to modern slavery practices. Through its comprehensive guidelines and reporting mechanisms, the code not only serves to prevent misconduct but also enables prompt and thorough investigation and resolution of any breaches. Its emphasis on transparency, accountability, and compliance with legal and regulatory requirements helps to safeguard the Company's reputation, build stakeholder trust, and promote sustainable business practices, contributing to long-term success and value creation.

Whistleblower Policy

The whistleblower policy of San Lorenzo aims to safeguard the integrity of the Company by providing a confidential and anonymous process for employees to report concerns regarding workplace, auditing, accounting, and financial reporting matters. The policy outlines procedures for receiving, investigating, and resolving complaints, emphasizing confidentiality and protection against discrimination, retaliation, or harassment for whistleblowers and participants in investigations. It ensures timely and impartial investigations conducted by the Audit Committee, which may involve independent experts if necessary, and mandates retention of records for five years. By fostering a culture of transparency, accountability, and protection for whistleblowers, the policy effectively deters misconduct and promotes the Company's commitment to ethical standards and regulatory compliance.

Supply Chain Risk Management Policy

San Lorenzo's supply chain risk management policy underscores our dedication to ethical business practices and the integrity of our supply chain operations. Designed to guide employees in identifying, assessing, and mitigating ethical risks, particularly concerning modern slavery, this policy emphasizes the importance of compliance, due diligence, and continuous improvement. By fostering a culture of proactive risk management, this policy aims to ensure that our supply chain reflects our values and promotes fairness in all our business dealings. Its effectiveness lies in its comprehensive approach, which combines clear guidelines, ongoing training, thorough risk assessment processes, and remediation efforts, empowering employees to uphold the highest ethical standards and contribute to the long-term success and reputation of San Lorenzo.

Supplier Code of Conduct

San Lorenzo's supplier code of conduct serves as a comprehensive framework that outlines the Company's expectations for its suppliers regarding integrity, ethical behavior, labor practices, environmental responsibility, health and safety, quality, confidentiality, intellectual property, and supply chain management.

The code aims to ensure that San Lorenzo's suppliers align with its values of integrity, honesty, and respect for human rights, and operate within legal boundaries while maintaining ethical business practices. By emphasizing compliance with laws and regulations, ethical behavior, fair labor practices, environmental responsibility, and quality standards, the code aims to foster trust, sustainability, and accountability throughout San Lorenzo's supply chain.

The code is effective due to its comprehensive approach to supplier management, which includes stringent measures to combat modern slavery practices. By explicitly prohibiting the use of forced labor, child labor, human trafficking, and ensuring compliance with labor laws, San Lorenzo significantly reduces the risk of its suppliers being involved in such unethical practices. Additionally, by requiring suppliers to monitor their own performance and promptly report any non-compliance or ethical concerns, the code fosters a culture of vigilance and accountability, further mitigating the risk of modern slavery within San Lorenzo's supply chain. This proactive stance not only aligns with ethical standards but also helps safeguard the Company's reputation and integrity while promoting a responsible and humane business environment. Suppliers will be required to sign the supplier code of conduct to acknowledge their understanding and commitment.

Due Diligence

San Lorenzo's code of conduct and policies underscore a diligent adherence to ethical principles and rigorous compliance standards. By emphasizing transparency, accountability, and fair treatment across all business activities, the code establishes a robust framework for identifying, preventing, and addressing any instances of unethical behavior, including exposure to modern slavery practices. Through clear guidelines, structured reporting mechanisms, and a culture of continuous improvement, San Lorenzo demonstrates proactive efforts to safeguard against modern slavery risks. In addition to the code of conduct, San Lorenzo has adopted additional policies highlighted under the Policies and Governance section of the report.

San Lorenzo ensures that new employees receive thorough training on ethical matters, including the expectations outlined in the code of conduct and other policies. This training package equips employees with the knowledge and understanding necessary to uphold the Company's ethical standards from the outset. Employees have the option to engage in further third-party training specific to the risks and impacts associated with modern slavery. Furthermore, regular discussions among all employees on ethical matters foster a culture of awareness, accountability, and continuous improvement throughout the organization. These initiatives collectively reinforce San Lorenzo's commitment to mitigating risks associated with modern slavery in its supply chain while promoting a culture of ethical conduct and integrity at all levels of the Company.

Measures to Remediate the Loss Income to Vulnerable Families

Following our risk assessment of our operations and supply chain, no actions were necessary in 2023 to address any income loss of the most vulnerable families due to the absence of identified Modern Slavery in our operations or supply chain.

Assessing Effectiveness

San Lorenzo ensures the absence of modern slavery in our supply chain through an established framework that meticulously records and resolves reported cases. To date, no significant risks related to exposure to Modern Slavery have been identified that necessitate a formal evaluation. Nonetheless, we remain vigilant in our commitment to monitoring and addressing any emerging risks to ensure integrity and ethical conduct throughout our operations and supply chains.

Board of Directors Approval and Attestation

This Report has been endorsed by the Board of Directors of San Lorenzo Gold Corp. on behalf of the Company and its associated reporting entities on May 29, 2024, and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This report can be found on the website at www.sanlorenzogold.ca.

In adherence to statutory obligations, particularly as outlined in section 11, I confirm that I have thoroughly scrutinized the content within this report pertaining to the specified entity. With due diligence exercised, I affirm that the information provided herein is accurate, complete, and reflective of the requisite standards outlined in the legislation for the reporting year referenced above.

Dated as of the 29th day of May, 2024



Al Kroontje
President, CEO



John Aihoshi
CFO

I have the authority to bind San Lorenzo Gold Corp.

Forward-Looking information

Certain information contained in this document, including Management's assessment of the Company's future plans and operations, may constitute forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to differ materially from those expressed or implied by such forward looking information. The Company believes the expectations reflected in this forward-looking information are based on reasonable assumptions, but no assurance can be given that these expectations will prove to be correct, and the forward-looking information included in this document should not be unduly relied upon. These statements speak only as of the date of this document.