



July 20, 2017

Mr. John S. Creamer
U.S. Department of State
Deputy Assistant Secretary
Bureau of Western Hemisphere Affairs
2201 C Street NW, Room 6262
Washington, DC 20520

Dear John:

I am very grateful to you and your colleagues for meeting with me to discuss the crisis we are facing in our Company's Guatemalan operation. Below please find the information that was discussed in the meeting, including Tahoe's U.S. and Guatemalan economic and social impacts.

USA INVESTMENT

Human Resources

- 29 full-time employees in Reno, Nevada.
 - 12 new hires in the last 18 months with a salary average of \$121,000/year.
 - 5 technical professionals who relocated to Reno for Tahoe Resources.
- 2016 payroll of \$14.6 million and salaries paid in Nevada have averaged \$13 million per year since 2014.
- Local taxes of \$125,000.
- Approximately \$1.2 million in charitable contributions to U.S. charities and educational institutions (including \$1 million to University of Nevada Reno (UNR) from Tahoe and its founder).
- In 2016, Tahoe gave four students at UNR full scholarships in mining disciplines with over \$100,000 given in total student scholarships to UNR since 2010.

Accounts Payable Spending

- Between 2014 and 2016, Tahoe or its subsidiaries paid approximately \$105 million to vendors in the United States.
- Between 2010 and 2013, this number was much higher (during the mine construction phase).
- We have consistently spent around \$10 million per year on local (Nevada-based) accounts payable spending since 2014.
- Our Federal taxes have been increasing every year since 2014 and are currently at \$1.9 million in 2016.
- Our local Nevada taxes have averaged \$170,000 per year since 2013.

In summary, we have invested several hundred million dollars into the U.S. economy since the company's inception in 2010.

U.S. Shareholders

Tahoe Resources listed its shares on the NYSE in May 2012. As of June 30, 2017, of the 312,619,268 total issued and outstanding shares, approximately 46% of those are held by U.S. shareholders including Van Eck Associates Corp. (10%), Franklin Resources Inc. (10%), FMR LLC (10%) and BlackRock, Inc. (9%).

GUATEMALAN INVESTMENT

Tahoe Resources – Economic Impact in Guatemala

Mine development: Since inception in 2010, Tahoe and its Guatemalan subsidiary, Minera San Rafael (MSR), have spent \$548 million on infrastructure development and construction of the Escobal mine.

Since obtaining its production license in 2013, Tahoe's total investment in Guatemala is \$938 million. This includes a portion of infrastructure and construction costs and the following:

- Over \$136 million paid to the Guatemalan Government in taxes, royalties and voluntary payments;
- \$66 million in salaries with \$10 million invested in Guatemalan social security; and
- \$600 million spent on local suppliers.

MSR provides more than 1,600 direct jobs and the mine has become an economic driver in the region that supports more than 6,000 indirect jobs. Over 100 new businesses have been created in San Rafael las Flores, the municipality where the mine is located, many with the support of MSR's small and medium enterprise skill building programs.

Impact of Social Programming

Tahoe and MSR have directly invested over \$10 million in social investment and economic development programs, reaching over 25,000 beneficiaries in the region. MSR's economic development program aims to transform natural resources to generate human, economic and material value in a responsible way, being sustainable development partners in the regions where we operate. MSR's programming is focused on nutrition, infrastructure, agriculture, vocational training and local economic development. In 2015 and 2016 alone, Tahoe directly invested approximately \$7.4 million into local community education, health and nutrition, infrastructure, capacity development, entrepreneurship and local governance initiatives. Local programming includes:

Vocational Training Center

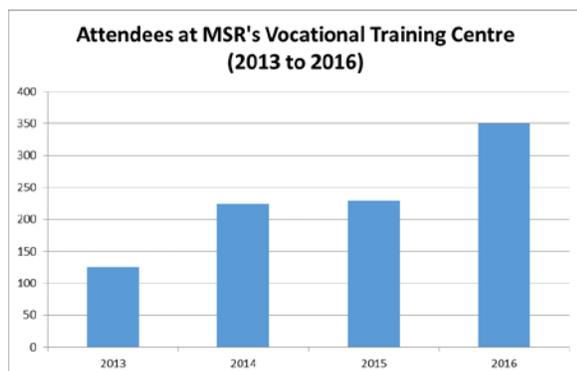
Since 2013, MSR has provided educational opportunities at its Vocational Training Center in San Rafael Las Flores municipality. Students at MSR's Vocational Training Center study English, apparel construction, business and welding, among other trades. MSR's Vocational Training Center welcomes any and all who wish to take part, and it does not discriminate on the basis of geography. A total of 930 people have participated in the program since its inception.

MSR has spent over US\$1 million on the vocational center since its inception in 2013, and it was recently certified by INTECAP (Instituto Técnico de Capacitación y Productividad), the Guatemalan regulatory body focused on vocational training and labor matters.

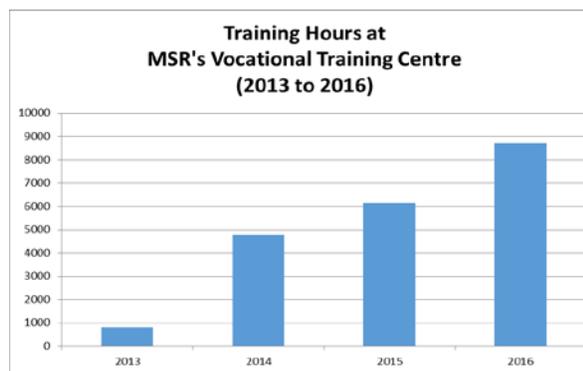
Upon graduation from the Vocational Training Center, many students develop new careers that contribute to the local economy. For example, a group of 13 female students received

technical degrees in apparel construction after completing 800 practicum hours. These graduates went on to form their own business – the Ladies of New Hope – which repairs ventilation ducts at the Escobal mine. In 2015, the Ladies of New Hope repaired more than 400 ducts and recycled 5,860 meters of vinyl material, generating revenue of more than US\$86,000.

The growing number of participants in MSR's Vocational Training Center:



The growing number of training hours at MSR's Vocational Training Center:



Nutrition program Aprendamos Juntas

MSR is working with the well-respected Guatemalan non-profit organization, Puente, to administer a food security program, Aprendamos Juntas ("We Learn Together") in communities near the Escobal mine. Of the first two groups of 800 women, 641 have completed the first phase of the program consisting of hygiene, nutrition and health trainings.

Reforestation Program

Rapid population growth and the high demand for energy have negatively impacted Guatemala's forestry resources. To reduce the increasing deforestation in the region, more than 32,000 trees were planted in 108 hectares in Santa Rosa Department through MSR's reforestation program. Further, to increase small landowners' incomes in the region, MSR helped them formulate forest management plans to obtain government subsidies to promote reforestation.

Veterinary Services & Training

In coordination with municipal health centers, MSR provided vaccinations to approximately 650 small and medium-size farmers' livestock and provided additional veterinary services to 200 residents. Livestock and domestic animal training was also provided to approximately 200 community members to teach the importance of proper animal care and strategies for disease prevention.

School Infrastructure and Scholarships

MSR has renovated two-thirds of all education infrastructures in San Rafael las Flores since 2010. MSR awarded more than 276 scholarships to help pay for tuition, school supplies and uniforms of students in the vicinity of the Escobal Mine, and in 2016, donated 4,703 school backpacks filled with educational supplies to students in San Rafael las Flores.

Hospital Upgrade

Recently, MSR invested approximately \$12,000 in pipes and faucets for the oxygen delivery system at the Cuilapa Regional Hospital in the Santa Rose department. MSR's ongoing contributions to upgrades ensure that each patient has sufficient, individual oxygen supply, and will help approximately 600 emergency, pediatrics and maternity patients each year.

FUNDES

MSR engaged the non-profit organization FUNDES to conduct an economic development program to support the development of local businesses in San Rafael las Flores. FUNDES' mission is to strengthen the business capacity of local commercial enterprises to improve their market reach and to achieve sustainable results. In 2016, FUNDES trained 6 local business associations. FUNDES conducted business assessments of each association and provided training to increase production, generate local employment opportunities and increase association revenue.

Tahoe's Commitment to Responsible Business Operations

Tahoe is committed to operating responsibly. To best promote the welfare of the local communities in which Tahoe's subsidiaries operate, in 2013 and in recognition of Tahoe's movement from a junior mining company to a mid-tier precious metals producer, the Health, Safety, Environment and Communities Committee of Tahoe's Board of Directors and Tahoe's Sustainability Committee adopted principles set forth in the United Nations Guiding Principles on Business and Human Rights (Guiding Principles), the Voluntary Principles on Security and Human Rights, the Equator Principles and other social and economic development guidelines.

Meaningful implementation of these standards is underway. This includes institution of a comprehensive "Guiding Principles compliant" grievance mechanism that employees and community members are encouraged to use to communicate with the company on a variety of matters but particularly complaints; introduction of human rights trainings for all security providers; and many other corporate-driven efforts to ensure that alignment with the enunciated standards is achieved in a meaningful way.

Reverse Migration

Finally, as you can imagine from all this investment, the sleepy little community of San Rafael las Flores has been transformed since Tahoe arrived and though we don't exact migration statistics, young men and their families are now staying in the area because of the economic opportunities now available to them. In addition, as I mentioned in the meeting, 16 of our employees returned to the Guatemalan municipality where the mine is located to receive good-paying stable jobs. Several have even availed themselves of Tahoe's continuing education and tuition assistance program to further their studies. We have attached the story of Jenelly Rodriguez as an example of this phenomenon.

Thank you again, John. We appreciate any advice or assistance you and your team can give. Please let me know if there is any other information you need.

Sincerely,



Edie Hofmeister
VP Corporate Affairs

cc: Mr. Roy A. Perrin, Deputy Director, Office of Central American Affairs
Mr. Scott B. Winton, Economic Officer, Office of Central American Affairs
Mr. Christopher Canellakis, Economic and Commercial Officer,
Office of Commercial and Business Affairs
Mr. Kevin McArthur, Executive Chairman, Tahoe Resources
Mr. Ron Clayton, President and Chief Executive Officer, Tahoe Resources
Mr. Brent R. Heberlee, Partner, Nossaman LLP



Jenelly
Rodriguez

case study

Coming Home to the Escobal Mine

When she was a young girl, Jenelly Rodriguez, a native of SRLF, Guatemala moved with some of her family to Los Angeles, California. While in Los Angeles in 2011, Jenelly attended a meeting about Tahoe's Guatemalan Escobal mine that inspired her to move back to her home country with her son, Alejandro.

Today, Jenelly works at the Escobal mine as the Visitor Coordinator. She organizes visits to the Escobal mine for all interested stakeholders. Visitors in 2015 included local community members, Guatemalan Ministry members, media outlets, students at Guatemalan universities and members from Canadian and U.S. embassies. When Jenelly is not working at the Escobal mine, she attends law school four days a week at the Universidad Mariano Gálvez de Guatemala, which is partially paid for by MSR's continuing education program. She plans on graduating from law school later this year and hopes to continue working at MSR in its Legal Department.

"I am happy to be raising my son Alejandro in San Rafael las Flores. I can't wait to finish school and grow professionally with MSR."