Tahoe Resources Inc. Securities Class Action

Summary Rationale for Settlement

The following is a brief summary of some of the factors considered by the Canadian Plaintiff and Canadian Plaintiff's Counsel in concluding that the Joint Stipulation and Agreement of Global Settlement of Two Related Securities Class Actions Pending in Different Jurisdictions dated May 25, 2023 ("Settlement Agreement") is fair and reasonable for members of the Canadian Settlement Class[1].

These factors will be explained in greater detail in the motion materials to be filed in support of Court approval of the Settlement, which will be posted at https://www.siskinds.com/class-action/tahoe/ no later than September 15, 2023.

1. The risk that the Canadian Plaintiff would be unable to prove that there was a misrepresentation

To succeed at trial, the Canadian Plaintiff had to establish a misrepresentation within the meaning of Ontario's *Securities Act.* To do so, the Canadian Plaintiff had to prove: (i) that CALAS's request for a suspension of the Escobal mine's license because of the Guatemalan government's failure to consult the Xinka created a materially increased risk of an Escobal license suspension; and (ii) that the Defendants failed to disclose that materially increased risk in Tahoe Resources Inc.'s ("**Tahoe**") May 24, 2017 news release.

There was a risk that at trial the Court would find that there was no misrepresentation. For example, it was anticipated that the Defendants would argue that there was no misrepresentation because the risk of a license suspension was publicly known and had been previously disclosed in Tahoe's pre-May 24, 2017 disclosures such as Tahoe's Annual Information Form, which stated that:

> The validity of the licenses related to the Escobal, La Arena and Shahuindo Mines can be uncertain and may be contested. There is no assurance that applicable governmental bodies will not revoke or significantly alter the conditions of applicable licenses that are required by the Escobal, La Arena and Shahuindo Mines. Changes to Guatemalan or Peruvian laws, including new mining legislation or adverse court rulings, could materially and adversely impact our rights to exploration and exploitation licenses necessary for the Escobal, La Arena and Shahuindo Mines.

2. The risk that the Canadian Plaintiff would not meet the elevated non-core document burden

Tahoe's May 24, 2017 news release is a non-core document under Ontario's *Securities Act*. Plaintiffs have an elevated burden of proof on non-core document misrepresentation claims. This

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[1] The Canadian Settlement Class means all persons and entities, wherever they may reside or be domiciled, who acquired securities of Tahoe Resources Inc. during the period from and including May 24, 2017 to and including July 5, 2017 on any Canadian exchange (including, without limitation, the Toronto Stock Exchange) or any Canadian alternative trading system, or on any exchange or trading platform outside Canada and the United States, other than certain "Excluded Persons". You are presumed to be a Canadian Class Member if you purchased Tahoe shares during this period and your trading records have the ticker symbol "THO" for those purchases.

elevated burden required the Canadian Plaintiff to prove one of the following: (a) that the Defendants knew, at the time the May 24, 2017 news release was released, that it contained the misrepresentation(s); (b) at or before the time the non-core document was released, the Defendants deliberately avoided acquiring knowledge that the May 24, 2017 news release contained the misrepresentation(s); and (c) through action or failure to act, the Defendants are guilty of gross misconduct in connection with the release of the May 24, 2017 news release that contained the misrepresentation(s).

There was a risk that the Canadian Plaintiff would be unable to meet the non-core document burden. In particular, it was anticipated that the Defendants would argue that the elevated non-core document burden could not be met because they had reasonably relied on: (i) the Guatemalan government's finding that there were no Xinka to consult when it granted the Escobal mine's license; (ii) the fact that, prior to the grant of the Escobal mine's license, there had been other challenges to the license on a variety of theories, all of which had been unsuccessful; (iii) the Guatemalan government's 2002 census showing a lack of Xinka in the area of the Escobal mine; and (iv) Guatemalan case law where a failure to consult did not result in a license suspension.

3. The risk that the Defendants would establish that investor losses were unrelated to the asserted misrepresentations

Even if the Canadian Plaintiff was successful in establishing liability at trial, there was a risk that the Defendants would prove that investor losses were unrelated to the misrepresentations. It was anticipated that the Defendants would argue that the decline in Tahoe's share price following the July 5, 2017 news release was attributable to the disclosure of the *actual* suspension of the Escobal mine's license rather than the correction of the alleged misrepresentation that there was an increased *risk* of a license suspension. If this argument was accepted, then the trial Court could have substantially reduced damages or ordered that no damages were payable by the Defendants.