

**SANTACRUZ SILVER MINING LTD.**  
**(the "Company")**

**MANDATE OF THE**  
**HEALTH, SAFETY AND ENVIRONMENT COMMITTEE**

**STATEMENT OF PRINCIPLES**

The Company and its subsidiaries are committed to the protection of life, health and the environment for present and future generations. We will focus our resources to achieve shareholder profitability in our operations without neglecting our commitment to sustainable development. We will respect the needs and culture of the local communities. All employees are responsible for incorporating into their planning and work the actions necessary to fulfill this commitment.

**GENERAL**

The Health, Safety & Environment Committee (the "Committee"), under the supervision of the Board, shall have overall responsibility for overseeing the development and implementation of policies and procedures for ensuring a safe, healthy work environment and sustainable development.

The Committee shall be comprised of three members, a majority of whom shall be "independent" directors as defined in applicable securities legislation.

**RESPONSIBILITIES**

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board.

The Committee shall, with input from Management as required:

- (a) ensure that applicable management is familiar with requirements and trends relating to health, safety and the environment in each jurisdiction in which the Company operates and evaluate the Company's compliance with such requirements;
- (b) assess environmental risks and the Company's risk management;
- (c) review and make recommendations regarding the Company's existing policies, procedures and practices related to health, safety and the environment;
- (d) evaluate environmental performance within the Company from a best practices point of view including performance by Company contractors;
- (e) review variances and non-compliance issues related to the Company's policies, and procedures related to health, safety and the environment;
- (f) ensure that good business practices exist in order that the Company meets or exceeds its legal requirements concerning environmental and safety practices;  
and

- (g) make recommendations to the Board as required and report to the Board at least annually, and more frequently if it considers appropriate, on its evaluation of the Company's performance relative to its policy objectives in regard to health, safety and environmental matters and any conditions or incidents that could reasonably be expected to affect the risk profile of the Company, its disclosure and/or its reputation.

In assessing and making recommendations regarding the Company's reviewing the policies, procedures and practices regarding health, safety and environmental matters, the Committee shall promote the following objectives:

- employee commitment and accountability to the Company's policies and procedures and enhance their capabilities in its implementation through the use of appropriate management systems.
- the development and implementation of effective, realistic systems to minimize risks to health, safety and the environment.
- open communication with employees, local stakeholders and governments regarding the Company's plans, programs and performance.
- cooperation with government agencies, local communities, educational institutions and suppliers to achieve safe handling, use and disposal of all our materials, resources and products.
- use of technologies that are designed to improve the safe, efficient use of resources, processes and materials.

The Committee shall be entitled to engage independent consultants to assist it in fulfilling its mandate, provided that it shall consult with management in the selection of such consultants and obtain an estimate of fees and costs for such services in advance of entering into a commitment. Fees and costs for such services in excess of \$10,000 in any twelve month period shall be pre-approved by the Board of Directors.

The Committee shall have such other powers and duties as are delegated to it by the Board.

## **REPORTING**

The Committee shall report to the Board of Directors at its regularly scheduled meetings.

## **EFFECTIVE DATE**

This Mandate was implemented by the Board on May 8, 2014.