

Initial Project Summary

Project Location: Las Vegas Municipality, Santa Barbara Department, Honduras

Name of Applicant: American Pacific Honduras S.A. (Ascendant Resources, Inc.)

Name of Project: El Mochito Project

Project Description: The Project involves the optimization and expansion of the El Mochito mine, a 70-year old lead, zinc and silver concentrate mine located near the Municipality of Las Vegas, approximately 88 km southwest of the City of San Pedro Sula, Honduras, Central America. The mining concession for El Mochito encompasses 11,000 hectares in the La Soledad watershed east of the Santa Barbara National Park. The active mine footprint is 200 hectares (approximately 1.8% of the concession). The main infrastructure consists of a shaft-accessed underground mine and a processing plant that produces separate zinc and lead concentrates. Silver, a by-product of the lead and zinc concentrate is sold as percent silver concentrate and not standalone refined silver. Mineralized material is mined by trackless and conventional underground mining methods, transported, partially crushed underground and then hoisted to the surface by a vertical shaft. Over the years, three tailings facilities have been used, two of which have been retired. The remaining active tailings facility has sufficient storage capacity for several future years. Concentrates are trucked daily to Puerto Cortés located 35 km north of San Pedro Sula on the Gulf of Honduras and shipped by ocean freighters once sufficient material has been stockpiled at the port. The Project involves the following elements: 1) installing a new, underground 442-meter rock only hoisting shaft which will shorten the average underground truck hauling distances by fifty percent, increase hoisting capacity, ventilation, services access and mining capacities; 2) upgrading the underground pumping and water management system that reduces costs by reducing the number of pumps, rationalizing pumping columns, and installing an effective water clarification system which will lead to better pump efficiency; and 3) upgrading the crushing circuit, processing plant, and tailings handling capacity to increase processing from 2,200 metric tonnes/day to 2,800 metric tonnes/day.

Environmental and Social Categorization and Rationale: The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because the Project involves the optimization and expansion of an existing underground lead, zinc and silver concentrate mine. The major environmental and social concerns related to the Project include labor relations and the potential for impacts on workers' health and safety, water resources, and community health.

Environmental and Social Standards: OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following International Finance Corporation (IFC) 2012 Performance Standards: PS 1: Assessment and Management of Environmental and Social Risks and Impacts; PS 2: Labor and Working Conditions; PS 3: Resource Efficiency and Pollution Prevention; PS 4: Community Health, Safety, and Security; PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources. PS 5: Land Acquisition and Involuntary Resettlement, PS 7: Indigenous People and PS 8: Cultural Heritage are not triggered by the Project at this time. Applicable provisions of the IFC

Environmental, Health and Safety (EHS) General Guidelines and EHS Guidelines for the Mining Sector also apply to the Project.

Location of Local Access to Project Information

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