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August 8, 2016

Mr. John Reynolds, Assistant Director
Mr. Joel Parker, Senior Assistant Chief Accountant
Beverages, Apparel and Mining
Division of Corporation Finance
United States Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Mr. Reynolds and Mr. Parker:

Re: TAHOE RESOURCES INC.

We are counsel to the Network in Solidarity with the People of Guatemala and the Catholic Church Committee for the Defense of Nature in Guatemala. They are organizations that work with the Guatemalan communities in the vicinity of the Escobal mine being developed by Tahoe Resources, Inc. ("Tahoe"). We wish to bring to your attention facts that may lead to the conclusion that Tahoe has misstated material facts and omitted to state material facts necessary for U.S. investors to understand accurately the risks of investing in Tahoe. We have gathered the enclosed facts from lawyers and community members in the vicinity of the Escobal mine, and have worked to substantiate them as much as is possible from a distance. We feel that the facts presented in detail in the enclosed request merit an investigation.

The issues raised in this covering letter are referenced to the detailed documentation found in the enclosed report.

1. The expansion of the Escobal mine is a key part of Tahoe’s business plan, but has Tahoe materially misstated the facts about the extent of community opposition to the Escobal mine, and has Tahoe omitted to state material facts necessary for investors to accurately judge the risk that this opposition poses to the expansion of the Escobal mine?
2. Has Tahoe has omitted to disclose litigation that is not “ordinary routine litigation incidental to the business”, namely lawsuits by Tahoe’s subsidiary in Guatemala, Mineral San Rafael (MSR) against the President of Guatemala and other government entities to provide MSR with more protection from protesters; and litigation to stop or invalidate community plebiscites on whether to accept or reject mining?
3. Has Tahoe failed to disclose material information relating to human rights violations?

Tahoe is a precious metal extraction company incorporated in British Columbia, Canada, and headquartered in Reno, Nevada. It is traded on the Toronto and New York stock exchanges (TSX:THO/NYSE:TAHO). It has operated a mine in Guatemala since 2010. In 2015, it merged with Rio Alto Mining, which operates a mine in Peru. In 2016, Tahoe announced a business combination with Lake Shore Gold Corp., which operates two mines in Ontario, Canada.

This request relates to Tahoe’s El Escobal mine in Guatemala. Below is a summary of the events relevant to this request.

A. Has Tahoe failed to disclose material information?

1. The expansion of the El Escobal mine is a key part of Tahoe’s business plan, but has Tahoe materially misstated the facts about the extent of community opposition to the Escobal mine, and has Tahoe omitted to state material facts necessary for investors accurately to judge the risk that this opposition poses to the expansion of the Escobal mine?

El Escobal is Tahoe’s main asset. On April 4, 2016, Tahoe stated, “Tahoe’s asset base is anchored by the large-scale, high-grade Escobal silver mine in Guatemala...” Consequently, any disruptions in the operation of the Escobal mine will have a material impact on Tahoe’s operations as a whole.¹

Expansion is central to Tahoe’s business plan. Tahoe has pending exploration licenses in municipalities surrounding El Escobal. Tahoe stated in its 2014 Annual Information Form, that “[o]ur principal objectives at this time are to optimize Escobal operations and to continue

¹ See pp. 6-8 of the enclosed report for information on Tahoe’s expansion plans and maps showing pending exploration concessions.

expanding the Mineral Resource and Mineral Reserve base through exploration and development of the Escobal vein and other veins identified in the region.” Tahoe states that “[as] part of this process, we will undertake early-stage exploration activities to ensure an orderly and steady development of exploration targets.” In an interview with Canadian television network, BNN in February 9, 2015, Kevin McArthur, Tahoe’s CEO, reiterated his plan to expand in Guatemala.

Starting in 2013, community opposition to the Escobal project and to Tahoe Resources has become sustained and quite a bit more serious, and sometimes violent, in reaction to a number of events in which Tahoe is perceived by many members of the community to be the primary wrongdoer. In its filings in the U.S. Tahoe has either misstated material facts or omitted to state material facts, and in general has downplayed the seriousness of community opposition to the one mine that the company owns.

(i) Tahoe plans to expand into municipalities where the citizens, in officially-sanctioned plebiscites, have voted overwhelmingly to reject mining;²

(ii) Protests against mining in some municipalities have been so severe that Tahoe has been prevented from connecting to the main power grid and Tahoe’s wholly-owned subsidiary, Minera San Rafael, filed a secret lawsuit against the President of Guatemala asking for more protection;³

(iii) Tahoe will be expanding into areas where the consent of Indigenous peoples will be required, but the Indigenous people are unlikely to give their consent because of a hostile relationship with Tahoe; and⁴

(iv) Tahoe appears to have lost three of its exploration licences.⁵

² For maps on the concessions affected by municipal plebiscites, see pp. 9-12 of the enclosed report and the Appendix.

³ For the discrepancy between what Tahoe disclosed of the protest, compared to the details provided in the secret court case, see pp. 12-14 of the enclosed report.

⁴ For information why the Xinca Indigenous people are hostile to Tahoe, see pp. 14-17.

⁵ For information on the discrepancy in the 2015 AIF between a map that shows four exploration concessions and the text that mentions only one, see p. 17.

2. Tahoe has not disclosed lawsuits by Tahoe's subsidiary in Guatemala, Mineral San Rafael (MSR), against the President of Guatemala and other government entities to provide MSR with more protection from protesters; and litigation to stop or invalidate community plebiscites on whether to accept or reject mining.

Partly because MSR's attempt to connect its mine to the main power grid was thwarted by protests, MSR commenced a lawsuit against the President of Guatemala, the Ministry of the Interior, the Ministry of National Defense, the Director of the National Police, the Commissioner of the National Police in the Department of Jalapa, and the Commissioner of National Police in the Department of Santa Rosa for failure to provide enough protection to allow the mine to operate. In June 2012, only a month before MSR secretly filed the lawsuit, Tahoe said in its Preliminary Economic Assessment that, "community support is very high." The Constitutional Court of Guatemala dismissed Tahoe's lawsuit on February 26, 2013. However, two months later, in April 23, 2013, the police broke up a peaceful protest and arrested 26 protesters. Then on May 2, 2013, President Otto Perez Molina declared a state of siege and deployed 8,500 police in the municipalities surrounding the Escobal mine. Tahoe has never disclosed this lawsuit.⁶

Tahoe has also failed to disclose at least four lawsuits brought to stop or invalidate the plebiscites on mining in the municipalities surrounding El Escobal. These lawsuits are material because they either involve MSR directly as a party or they relate to municipalities where MSR has a granted or pending concession. They show the extent to which Tahoe and its allies feared the results of the votes and the extent to which they would thwart democratic rights to vote. It is questionable whether a lawsuit to prevent a community from exercising democratic rights can ever be "ordinary routine litigation incidental to the business"; but in this case, these tactics also put into doubt Tahoe's claims that it had a high degree of community support.⁷

3. Tahoe has not disclosed material information relating to human rights violations

Since its inception, the mine has been marred by serious acts of violence and repression. In some instances, such as the shooting of six farmers and one student by Tahoe's private security forces, Tahoe is directly implicated in the violence. The victims are now suing Tahoe in Canada.

In other instances, such as the murder of a Xinca Indigenous leader, the murder of a sixteen-year-old girl, and the shooting of a community leader at a bus stop, no one has been charged

⁶ For information on how to locate the court cases on the website of the Constitutional Court of Guatemala, see fn 15 of the enclosed report.

⁷ For a description of the four lawsuits and the number of people voting in the municipalities, see pp. 17-20 of the enclosed report.

and Tahoe has denied responsibility. However, each of the victims was a well-known activist who opposed the mine and local communities blame Tahoe for their deaths.

Events like these spurred a review of Tahoe by the Council on Ethics of the Norwegian Government Pension Fund Global (“Norwegian Fund”). The Norwegian Fund was not satisfied with Tahoe’s responses to its inquiries and found that “the company’s replies to the Council make it difficult for the Council to conclude that the company’s systems and strategies are suited to reveal, prevent and compensate for human rights violations connected to the operation.” Consequently, at the end of January 2015, the Norwegian Fund divested from Tahoe.⁸

Information on human rights risks is material because

- The Norwegian Fund, with over \$US 850 billion in assets, should be considered a reasonable investor, and it decided to divest after its investigation;
- There is heightened public interest in human rights abuses associated with Canadian mining companies, including criticism from the Inter-American Commission on Human Rights and treaty bodies of the United Nations;⁹
- Recent reports have drawn the link between social conflict and the bottom line, including a 2015 Harvard University report on company-community conflicts that found that social conflicts had financial costs and costs to human resources for addressing those conflicts.¹⁰

B. Jurisdiction of the Securities and Exchange Commission to investigate

Tahoe holds foreign private issuer status with the Securities and Exchange Commission (“SEC”). It is incorporated in the province of British Columbia and states in its filings that it is a Canadian company, with the British Columbia Securities Commission (“BCSC”) as its principal regulator. However, in its 2015 Short Form Prospectus, Tahoe identified that it may lose its foreign private issuer status because it has no business address, no officers, and no employees in British Columbia. All twenty-six head office employees and the majority of the Board of Directors are in the United States. Tahoe has identified the impact of the loss in a prospectus issued in 2015.

The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer will be significantly more than the costs incurred as a Canadian foreign private issuer. If we are not a foreign private issuer, we would not be eligible to use foreign issuer forms and would be required

⁸ For instances in which Tahoe failed to provide adequate responses to the Council or in which the Council came to conclusions that contradicted assertions made by Tahoe see pp. 20-25 of the enclosed report.

⁹ For a list of bodies expressing concern with Canadian mining, see pp. 25-28 of the enclosed report.

¹⁰ For a reference to a Harvard University study on the costs of social conflict see p. 28 of the enclosed report.

to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are generally more detailed and extensive than the forms available to a foreign private issuer. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers.¹¹

On the other hand, if Tahoe is found to be a foreign private issuer, the SEC has the jurisdiction to assess whether Tahoe has met its disclosure requirements independently of a Canadian investigation, as the SEC has done in the past with Tahoe. We have submitted a parallel investigation request to the BCSC.¹²

C. Tahoe's filings merit special scrutiny

Tahoe's disclosure should be rigorously scrutinized for two reasons.

First, in July 2013, the BCSC placed Tahoe on its "Issuers in Default List" in relation to statements made about proven and probable reserves in its Preliminary Economic Assessment. In August 2013, the SEC corresponded with Tahoe on this issue. This matter is now closed, and we are not requesting that it be reopened. Rather, we believe that past problems should be taken into account in assessing the likelihood of current failures to disclose.¹³

Second, an investigation by an investor, the Norwegian Fund, showed that Tahoe's disclosures omitted material information and misstated material facts. The Norwegian Fund's requests for information on alleged human rights abuses were met with inadequate responses. Among other things, this lack of cooperation resulted in the Fund's decision to divest from Tahoe on January 27, 2015.

For the above reasons, we submit that there are grounds for reviewing Tahoe's disclosures and status as a foreign private issuer. We also submit that past experience with Tahoe justifies a rigorous review.

Yours truly,



Shin Imai
Barrister and Solicitor

¹¹ Tahoe Resources Inc., *Short Form Prospectus* (June 23, 2015) at 27.

¹² For a previous exchange between Tahoe and the SEC about a number of matters including its statements on sustainable development, the nature of the reserves, and the lack of a bankable feasibility study, see fn 98 of the enclosed report.

¹³ For the reasons that Tahoe was found to be in default, see pp. 28-30 of the enclosed report.