February 06th, 2015

VELADERO GOLD MINE

ICMI Recertification - Summary Audit Report

Submitted to:
Minera Argentina Gold S.A.
Francisco de Villagra 531 - Este
C.P. J5402CPI - San Juan
Argentina

REPORT

Report **Number** 14931-55010 A

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Golder Associates

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1.0 SUMMARY AUDIT REPORT FOR GOLD MINING OPERATIONS

Name of Mine:	Veladero
Name of Mine Owner:	Barrick
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2.0 LOCATION DETAIL AND DESCRIPTION OF OPERATION

MAGSA is the Argentine affiliate of Barrick Gold Corporation, which has headquarters located in the city of Toronto, Canada. MAGSA operates Mina Veladero, located in the province of San Juan, in the Republic of Argentina. The main activity of MAGSA is mining, including prospecting, exploration and exploitation of minerals.

Veladero Mine (Mine) includes the exploitation of gold and silver mineral resources by traditional methods including open pit, crushing, heap leaching, Merrill-Crowe type processing plants and supplementary facilities. These methods are used to obtain gold/silver bearing material as a final product.

Veladero is located in the northeast of Argentina, in the province of San Juan, in the western watershed of Andean Cordillera, 5 km from the western border with Chile. The site is at an approximate elevation of between 3,800 and 5,000-meters above sea level (masl).

The mine is located in the district of Iglesia, approximately 370 km northeast of the city of San Juan by road.

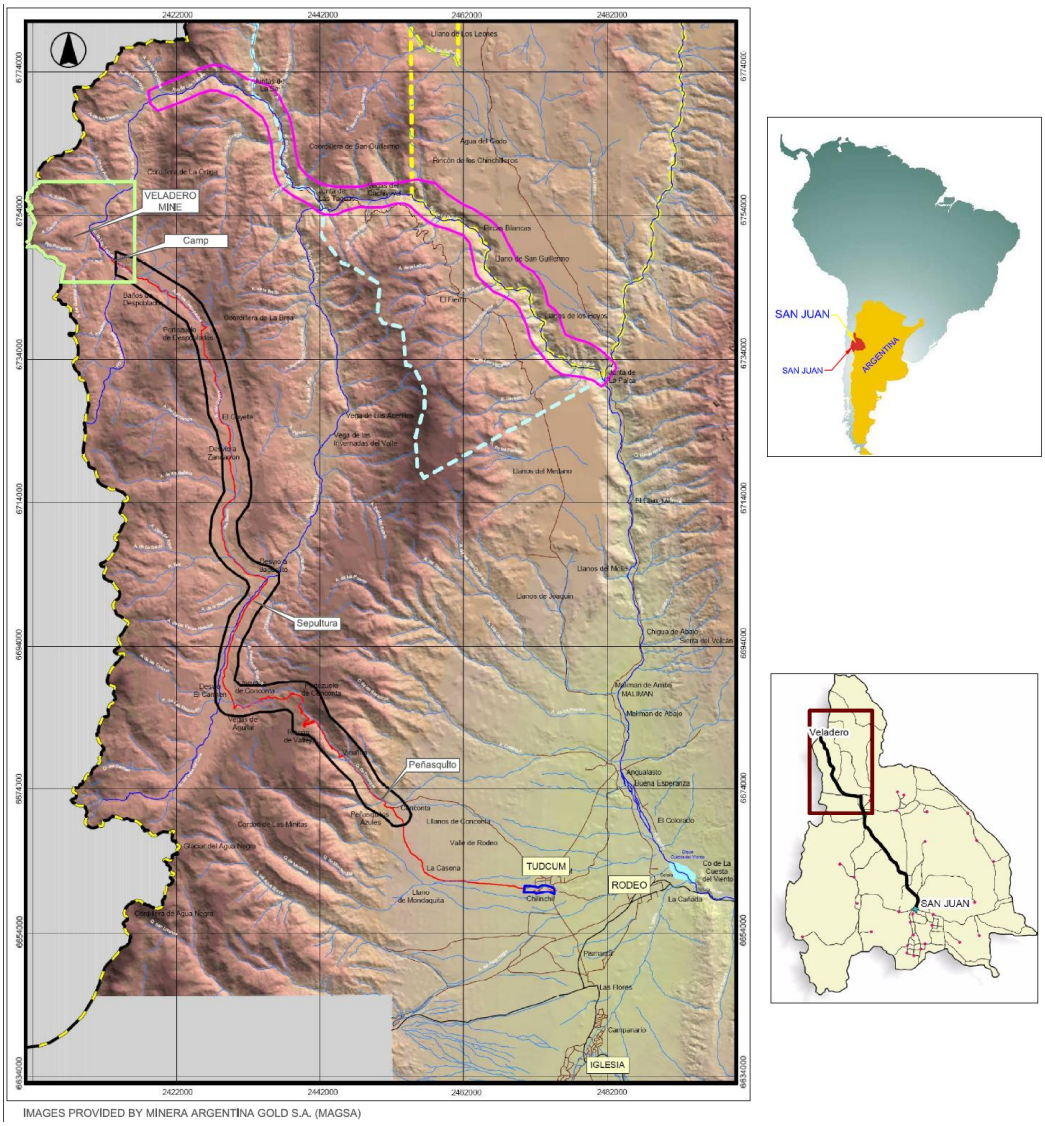

Figure 1: Regional Location Map.

SUMMARY AUDIT REPORT

Auditors Findings

This operation is:

☒ **in full compliance with**

☐ in substantial compliance **with the International Cyanide Management Code.**

☐ not in compliance with

During the audit period there were no significant cyanide related incidents at the mine requiring reporting to the ICMI or incidents requiring public disclosure or reporting to the Standard of Practice 9.3.3.

Audit Company: Golder Associates Argentina S.A.

Audit Team Leader: Alistair Cadden, Lead Auditor and Technical Specialist

Email: acadden@golder.com

Name and Signatures of Other Auditors

Name	Position
Sergio Gonzalez	Auditor
Patricia Oliver	Auditor

Dates of Audit

The Certification Gold Mining Operations Verification Audit was undertaken within four days (eight person-days) between 14th and 17th July 2014.

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management Institute for Code Verification Auditors.

I attest that this Summary Audit Report accurately describes the findings of the verification audit. I further attest that the verification audit was conducted in a professional manner in accordance with the International Cyanide Management Code Verification Protocol for Gold Mining Operations and using standard and accepted practices for health, safety and environmental audits.

PRINCIPLE 1 – PRODUCTION

Encourage Responsible Cyanide Manufacturing by Purchasing from Manufacturers that Operate in a Safe and Environmentally Protective Manner

Production Practice 1.1: **Purchase cyanide from manufacturers employing appropriate practices and procedures to limit exposure of their workforce to cyanide, and to prevent releases of cyanide to the environment**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Production Practice 1.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 1.1 which requires that the site purchase cyanide from manufacturers employing appropriate practices and procedures to limit exposure of their workforce to cyanide, and to prevent releases of cyanide to the environment.

Since 1st January 2009, Veladero has bought cyanide from Orica, which was recertified as code compliant on 17 March 2010 and again on 29 October 2013.

The cyanide purchase contract requires that only cyanide from a fully compliant cyanide manufacturer is supplied to the site.

PRINCIPLE 2 – TRANSPORTATION

Protect Communities and the Environment during Cyanide Transport

Transport Practice 2.1: **Establish clear lines of responsibility for safety, security, release prevention, training and emergency response in written agreements with producers, distributors and transporters.**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Transport Practice 2.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 2.1 which requires that the site establish clear lines of responsibility for safety, security release prevention, training and emergency response in written agreements with producers, distributors and transporters.

Since 1st January 2009, Veladero has bought its cyanide from Orica under a cyanide purchase contract which requires that the entire supply chain is fully Code compliant.

The supply contract states that Orica is responsible for itself and its subcontractors, including transportation, for Code compliance.

Clause 5.5.7 of the NaCN transport contract between Orica and Cruz del Sur states that the road transport must “fully comply with the requirements of the ICMI for the manufacture, transport and use of cyanide.”

Transport Practice 2.2: **Require that cyanide transporters implement appropriate emergency response plans and capabilities and employ adequate measures for cyanide management**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Transport Practice 2.2**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Since 01 January 2009 the cyanide supply contract for the mine is with Orica. This cyanide supply contract requires that the supply chain be certified as fully compliant under the Code.

- Clause 18 ‘seller shall maintain its compliance with the International Cyanide Management Code’;
- Appendix A International Cyanide Management Code Compliance.
- Appendix D Packaging and Stock Monitoring:

(3) “The seller will provide a delivery service for the solid boxed sodium cyanide that comprises of: the delivery to a site.”

Orica’s supply chain from Yarwun to the Port of Brisbane is fully certified under the Code. Its Latin America supply chain from the Port of Brisbane to the mine is also fully certified under the Code. Hamburg SUD Group has passed code equivalent third part due diligence audit and Cruz del Sur is certified under the code. Veladero maintains full chain of custody records for the delivery of NaCN as part of the delivery documentation. These records are held by the procurement department.

PRINCIPLE 3 – HANDLING AND STORAGE

Protect Workers and the Environment during Cyanide Handling and Storage

Handling and Storage Practice 3.1: **Design and construct unloading, storage and mixing facilities consistent with sound, accepted engineering practices, quality control/quality assurance procedures, spill prevention and spill containment measures.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Handling and Storage Practice 3.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 3.1; design and construct unloading, storage and mixing facilities consistent with sound accepted engineering practices, quality control/quality assurance procedures, spill prevention and spill containment measures.

The cyanide storage and mix facilities are the same as were certified as fully compliant in 2008. An improvement has been made to the cyanide off load facility to facilitate handling of cyanide boxes with a forklift. The cyanide storage and mix facilities have been maintained in good order since the recertification audit in 2011.

The cyanide store is well ventilated, under a roof, with a concrete floor, in a secure area and away from other reagents or materials. The cyanide store has been maintained in good order.

Cyanide mix facilities are located on concrete plinths in a building with concrete floor and secondary containment berms. Secondary containments are formed of reinforced concrete painted with epoxy sealant paint. All construction and movement joints are sealed. These materials are suitable to provide a competent barrier to leakage.

Handling and Storage Practice 3.2: **Operate unloading storage and mixing facilities using inspections, preventative maintenance and contingency plans to prevent or contain releases and control and respond to worker exposures.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Handling and Storage Practice 3.2**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The system for dealing with old cyanide containers is the same as in 2008 for the original certification audit, although the procedure has been regularly updated since then. The bags and boxes are treated as hazardous waste, and washed and then taken to San Juan for incineration.

a) The cyanide mix procedure PRO-PVL-116 Rev 08 contains detailed information regarding the operation of all valves during cyanide mixing.

b) The cyanide mix procedure details the handling requirements of the cyanide containers to ensure they are not damaged during handling. The site has made improvements to the cyanide offload facility to further reduce the risk of the cyanide boxes being punctured during unloading

c) Boxes are stacked 3 high in the store, which complies with Orica's recommendations

d) Veladero has a spill response procedure to ensure timely clean-up of any spills during the handling of cyanide boxes PRO-PVL-409 procedimiento de control de derrame de cianuro de sodio

e) During the cyanide unloading and mixing process all operators use Tyvek suits and dust masks. Portable HCN monitors are also used at the warehouse and during the mix. Operators are in two way radio communication with the control room, from where the operation can be observed by CCTV.

PRINCIPLE 4 – OPERATIONS

Manage Cyanide Process Solutions and Waste Streams to Protect Human Health and the Environment

Operations Practice 4.1: **Implement management and operating systems designed to protect human health and the environment including contingency planning and inspection and preventative maintenance procedures.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Operations Practice 4.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 4.1, requiring that the operation implement management and operating systems designed to protect human health and the environment including contingency planning and inspection and preventive maintenance procedures.

Veladero has a suite of operating procedures that were certified as fully compliant in 2008. Since then they have been updated regularly. The operation has not changed although the leach pad has expanded. Veladero has numerous operational procedures that identify the design parameters of the facility, such as the heap leach operating manual, pH control during the process and maximum and minimum solution levels in the pregnant pond.

Veladero has upgraded the site water balance using Goldsim probabilistic model which is updated daily using meteorological data collected on site. This tool is used to actively manage the operation of the heap leach to ensure that water balance issues do not arise.

Veladero uses a change management procedure to assess any proposed change in the operating procedures and to identify any increase in the risk of use of cyanide.

The site has a number of 'Pre-Plans' that deal with responses to situations outside normal operating conditions. These include plans for scenarios such as extreme weather, failure of the electricity generating systems, failure of critical equipment such as the riser pumps.

Regular inspections are carried out at Veladero to ensure that equipment and the process is operating within design parameters. Inspections range from daily logs kept by plant and heap leach operators to a computerised planned maintenance system, an Oracle database for major equipment items. The Oracle database system is also used for tracking corrective maintenance.

The operation inspects cyanide facilities on an established frequency sufficient to assure and document that they are functioning within design parameters. Unloading, storage, mixing, and process areas inspections' are documented, stating the nature and date of corrective actions. Inspection records are retained for at least 2 years.

Veladero produces all site power by an onsite system consisting of 10 generators with a capacity of 10 MW. Veladero only uses 6 or 7 generators at any one time. The generators that are not being operated are part of a regular preventative maintenance and start up by a contractor.

Operations Practice 4.2: Introduce management and operating systems to minimise cyanide use, thereby limiting concentrations of cyanide in mill tailings.

Not applicable as Veladero is a valley fill leach operation.

Operations Practice 4.3: Implement a comprehensive water management programme to protect against unintentional releases.

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Operations Practice 4.3**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 4.3, requiring the operation to implement a comprehensive water management programme to protect against unintentional releases.

Veladero has upgraded its water balance to a probabilistic Goldsim model and models issues such as a design storm. 1:100yr 24 hr event 22mm, power outages and solution application rates. The model is updated daily with data form site such as irrigation areas and solution flow rates, rainfall and ore deposition areas. The model is used to control daily operations and to predict behavior into the future assisting both production and identifying potential water balance issues.

Operating procedures incorporate inspection and monitoring activities to implement the water balance and prevent overtopping of ponds and impoundments and unplanned discharge of CN solutions to environment. Ponds and impoundments are designed and operated with adequate freeboard above the maximum design storage capacity determined to be necessary from water balance calculations.

Operations Practice 4.4: Implement measures to protect birds, other wildlife and livestock from adverse effects of cyanide process solutions.

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Operations Practice 4.4**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 4.4, requiring the operation implement measures to protect birds, other wildlife and livestock from adverse effects of cyanide process solutions.

Veladero has maintained the measures reported in 2010 to prevent wildlife access to solutions with >50mg/L CNwad. These include backfilling the PLS pond, use of buried drip irrigation systems prevents surface ponding at the site. Leak collection and recovery system solutions are contained in enclosed chamber for direct pumping back to the Valley Fill Leach Facility. There is a perimeter fence to prevent livestock access and chain link fences around the ponds. There is generally no open water in the site except the pond at toe of leach facility, which has CNwad concentrations below detection limits.

There have been no reported wildlife mortalities at Veladero.

Operations Practice 4.5: Implement measures to protect fish and wildlife from direct or indirect discharges of cyanide process solutions to surface water.

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Operations Practice 4.5**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 4.5, requiring the operation implement measures to protect fish and wildlife from direct or indirect discharges of cyanide process solutions to surface water.

Veladero does not have a direct discharge to surface water. Surface water monitoring results show cyanide concentrations to be below detection limits. There is no indirect discharge to surface water from Veladero

Ground watering monitoring from 2011 to date shows that CN levels are below detection limits

Veladero does not have any indirect discharge of cyanide solutions to surface waters. Veladero operates with zero discharge of process solutions. Veladero conducts monitoring to characterize the leak collection and recovery system, the underdrain system and downstream surface water quality. Veladero has an extensive surface water monitoring program with key points to establish cyanide facility performance as the Primary Sump (PS), Contingency Pond (CP), downstream on the Potrerillos River (SW-6) and the downstream regulatory compliance point on Rio Las Taguas (LA-16). Review of data from 2011 for these points indicates that WAD cyanide is below detection <0.01 mg/L.

Operations Practice 4.6: Implement measures designed to manage seepage from cyanide facilities to protect the beneficial uses of groundwater.

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Operations Practice 4.6**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 4.6, requiring the operation implement measures designed to manage seepage from cyanide facilities to protect the beneficial uses of groundwater.

Veladero has a number of systems in place to protect the beneficial use of groundwater, including use of a composite clay and geomembrane liner system with the valley leach facility, underdrainage and leak detection systems and secondary containment for all process tanks containing cyanide solutions, Groundwater monitoring results show all measurements of cyanide to be below detection limit (0.01mg/L). The operation at Veladero is open pit mining and heap leaching. There are no mill tailings produced. No cyanide has been detected in groundwater therefore no remediation measures are being undertaken.

Operations Practice 4.7: Provide spill prevention or containment measures for process tanks and pipelines.

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Operations Practice 4.7**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 4.7 requiring that the operation provide spill prevention or containment measures for process tanks and pipelines.

Secondary containment is available for all cyanide storage facilities. This is the same as for the 2008 audit report and 2011 recertification audit report. Visual inspection by the auditors showed that they had been maintained in good condition.

Veladero has spill prevention and containment measures for the two cyanide storage areas, the associated process tanks in the Tank Farm, and Merrill-Crowe process areas. Veladero has automated sump pumps with level controls within the containments to pump collected solutions into the process circuit. The containments are constructed of cast-in-place reinforced concrete. Veladero has completed an extensive internal analysis of the containment areas to verify the tank sizes and the available secondary containment. Procedures are in place to prevent spills and ensure that the available capacity is present.

The cyanide preparation and storage tanks each have a 108 m^3 capacity and are located under a roof within a 27 m^3 containment that flows to the Merrill-Crowe containment area of 762 m^3. The Merrill-Crowe process containment has been connected with a 12-inch pipe to the adjacent Tank Farm containment providing a combined capacity of 2,519 m^3. The barren tank is the single largest tank in the Tank Farm with an operating capacity of 2206 m^3.

Veladero has automated the collection sumps in the containment areas to automatically pump any cyanide solution to the process circuits. Veladero, in addition to the containment areas for the process, has constructed an Emergency Pond with an additional 3,449 m^3. Operation and sampling of water collected in the Emergency Pond in a Procedure Manejo de La Pileta De Deriviacion de Planta de Procesos (Management of Process Solution in the Emergency Pond). The Operation Pre-Plans address and evaluate potential scenarios where solution is collected in the secondary containments and provide contingency planning. The Veladero operating procedures require that all spills be addressed immediately. Veladero also has procedures in place to immediately address any critical pump failure to assure that the resources are always in place to manage spills.

Veladero has constructed all pipelines with spill prevention and containment measures to collect leaks and prevent releases. The pipelines outside the leach pad or the process plant containments are constructed within HDPE lined conveyance channels or within concrete lined tunnels. In addition all pipelines are encased in thermo protection layers or encased in a layer of HDPE that further prevents the possibility of spraying off the lined containment in the case of a pipe break.

All of the process pipelines at Veladero have secondary containment, within an HDPE lined conveyance channel. Pressure sensors have been placed on the pregnant and barren pipelines on the section between the Process Plant and Valley Fill Leach Facility with the pressure differential indicator in the Control Room. Based on our review Veladero does not have any perennial or ephemeral surface water bodies that require special protection needs for pipelines over and above the secondary containment measures and pressure sensors already taken.

All Veladero cyanide process tanks and pipelines are constructed with materials compatible with high pH cyanide solutions. These include Carbon Steel ANSI B36.10, Schedule 40, 150-pound class pipelines for the Pregnant and Barren lines, API 650 steel tanks and HDPE pipelines.

Operations Practice 4.8: **Implement quality control/quality assurance procedures to confirm that cyanide facilities are constructed according to accepted engineering standards and specifications.**

The operation is

☒ **in full compliance with**

☐ in substantial compliance with **Operations Practice 4.8**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 4.8 requiring that operations implement QA/QC procedures to confirm that cyanide facilities are constructed according to accepted engineering standards and specifications.

Veladero has quality assurance programmes for all new facilities. Since the 2011 audit new works have included:

- Valley leach expansion (Phase 4, 3A, 3B, 4A, 5A and 4B);
- Pipework extension;

CQA records are available on site, maintained by the construction supervisors

The quality control and quality assurance documentation has been prepared by professional engineers from Ausenco Vector, Zlato, Ecominera, Fluor and Skanska.

Operations Practice 4.9: **Implement monitoring programs to evaluate the effects of cyanide use on wildlife, surface and groundwater quality.**

The operation is

☒ **in full compliance with**

☐ in substantial compliance with **Operations Practice 4.9**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 4.9 requiring that operations implement monitoring programs to evaluate the effects of cyanide use on wildlife, surface and groundwater quality.

Veladero's written monitoring plans were found to be fully compliant with the Code in 2008. These plans were updated in 2010 to reflect the expansion of the activities at the site and in 2014 at the request of the authorities.

Monitoring is conducted at frequencies adequate to characterize the medium being monitored and to identify changes in a timely manner. Frequency of monitoring is the following:

- SP 3x week
- BCRP was 3x week now fortnightly (suggested by authorities based on the results)
- GWQ 7A and 7B frequency of monitoring increased from monthly to weekly as required by the authorities

Number of monitoring points has been increased with additional groundwater quality wells being added: GWQ12-15 and GWQ16-19.

Veladero continues to use Corplab (San Juan) which is a certified laboratory in Argentina

Other aspects of the monitoring plan have remained the same as for the recertification audit in 2010.

The plan has been updated by Environmental Engineers (Leandro Poblete and Roberto Caso with review by Jose Fornes all certified civil engineers through the College of Professional Engineers and Land Surveyors) and was reviewed and approved by Mining Secretariat as part of the mining approvals.

Documents are updated at least every 2 years in accordance with Barrick's document management systems

Analysis methods use the Standard Methods for the Examination of Water & Wastewater: SM4500 CN-E (CNfree); C/E (CNtotal); I/E (CNwad).

Sampling procedures are the same as were found to be fully compliant in 2008 and again in 2011

The water quality sampling documents (MAGSA, updated 2014) specifies the standard operating procedures for surface water, process water and groundwater including sample preservation requirements. Locations of sampling sites and sample parameter lists including cyanide species are also specified. Chain of Custody procedures are included.

Veladero has no discharges to surface water. Groundwater and surface water monitoring is undertaken downstream.

Veladero provides wildlife mortality training to all company and contract employees with an annual refresher. Each employee is responsible for contacting the Environmental Department should they encounter wildlife mortality or activity. Any animal carcasses cannot be moved without permission from the Environmental Department. There have been no reported wildlife mortalities at Veladero.

PRINCIPLE 5 – DECOMMISSIONING

Protect Communities and the Environment from Cyanide through Development and Implementation of Decommissioning Plans for Cyanide Facilities.

Decommissioning Practice 5.1: **Plan and implement procedures for effective decommissioning of cyanide facilities to protect human health, wildlife and livestock.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Decommissioning Practice 5.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 5.1, which requires that the site plan and implement procedures for effective decommissioning of cyanide facilities to protect human health, wildlife and livestock.

Written closure plan is available. Original produced in 2007 by Golder Associates Argentina SA. This was current at the time of the original certification audit and was found to be fully compliant. This report has been updated by Barrick staff since the original issue. Cost estimates have been updated annually as part of the Asset Retirement Obligation and Provisions for Environmental Restoration (PER) reporting requirements. Latest version of PER was calculated in 2013. The quantities have also changed as the plan has been updated. The concepts of closure have not changed. The costs have changed as areas are reclaimed progressively and new facilities developed. The latest version is presented in the update developed by Knight Piesold, December 2012.

The plan contains a GANTT chart and this has been updated (Chapter 8 of closure plan) annually as it is used to calculate the PER.

Decommissioning Practice 5.2: **Establish an assurance mechanism capable of fully funding cyanide related decommissioning activities.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Decommissioning Practice 5.2**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with the Standard of Practice 5.2 which requires that the site establish an assurance mechanism capable of fully funding cyanide related decommissioning activities.

Cost estimates have been updated annually as part of the Asset Retirement Obligation and Provision for Environmental Restoration reporting requirements. Latest version of the PER was calculated in 2013. The quantities have also changed as the plan has been updated. The unit rates are obtained from contractors bidding for projects on the site and other Barrick sites nearby. Cost estimates have been updated annually as part of the PER reporting requirements.

The Argentine authorities do not require a financial guarantee. Veladero used a self-guarantee to assure sufficient finance for detoxification and decommissioning of its cyanide facilities.

To supplement the audited financial statements, certified Public Accountants, McMullen, McPhee & Company, LLC (McMullen McPhee) prepared the document titled “Agreed Upon Procedures and Report of Independent Certified Public Accountants, Barrick Gold Corporation, Statement of Financial Strength for the ICMI (April 23, 2013)” for Barrick Gold Corporation (BGC). The report was prepared to assist BGC in obtaining a financial guarantee for its cyanide-related decommissioning activities using 10 CFR 30, Appendix A, and in accordance with attestation standards established by the American Institute of Certified Public Accountants. Certified annual financial statements and quarterly financial statements for the previous five (5) fiscal years as well as other reports or amendments submitted to the Securities Exchange Commission were used in evaluating financial information and ratios for BGC. All financial information used, was prepared in accordance with US GAAP. McMullen McPhee did not conduct an audit or express an opinion on the accounting records of BGC.

PRINCIPLE 6 – WORKER SAFETY

Protect Workers' Health and Safety from Exposure to Cyanide

Worker Safety Practice 6.1: **Identify potential cyanide exposure scenarios and take measures as necessary to eliminated, reduce and control them.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Worker Safety Practice 6.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 6.1 which requires that the site has developed procedures describing how cyanide-related tasks such as unloading, mixing plant operations, entry into confined spaces, and equipment decontamination prior to maintenance should be conducted to minimise worker exposure.

Veladero has many procedures that cover all the different tasks related with cyanide to minimize worker exposure.

Each procedure describes the activities and precautions to be aware before undertaking tasks involving cyanide handling or cyanide equipment maintenance, in order to perform a safer work. Each safe work procedure includes the requirement to use personal protective equipment.

Procedures specify the type of clothing, personal protective equipment (PPE) tools, equipment and other materials.

As an example for safe work procedure (Sodium Cyanide Management) requires the following PPE: helmet, safety goggles, rubber boots, gloves, face shield with panoramic viewer, respiratory protection, chemical resistant overalls, ear protection, and portable HCN sensor and radio. Veladero has implemented a procedure to manage changes, proposed changes, operational changes and / or modifications to its potential impacts on workers' health and safety.

Proposed improvements are discussed at the Weekly Safety Committee meetings that provide further opportunity to discuss process and operational modifications. The Committee is comprised of representatives of each area of the mine who meets monthly. Employees from different areas such as human development, general coordinators, and communication and management representatives participate in this Committee.

Worker Safety Practice 6.2: **Operate and monitor cyanide facilities to protect worker health and safety and periodically evaluate the effectiveness of health and safety measures.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Worker Safety Practice 6.2**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Standard of Practice 6.2 which requires that the site operate and monitor cyanide facilities to protect worker health and safety and periodically evaluate the effectiveness of health and safety measures.

pH meters undergo internal and external calibrations. Inspection sheet of the instruments were presented. The dosage of lime in the crusher is 100g / t ore.

The operation has installed an electronic system to detect levels of HCN gas in the different areas. This system allows continuous monitoring of HCN gas levels and results are displayed on electronic boards placed in highly visible areas. Fixed and portable detectors are set to prevent exposure to 4.7 ppm continuously over an 8 hour period and 10 ppm on an instantaneous basis.

Veladero has identified areas where there is potential risk to workers who may be exposed to cyanide. For example, cyanide preparation area. Safe working procedures which specify the PPE (Personal Protective Element) required have been developed to work in these areas. Working procedures are generally designed to ensure that the HCN gas is not emitted to dangerous levels, through pH control. PPE detectors and gas alarms are provided to mitigate accidental spills or gas leaks.

HCN detectors, fixed and portable, are calibrated every sixty days by SIAFA (ISO 9001 Certified Laboratory accredited by SGS OAA). These records are retained for at least 5 years.

Areas where cyanide is present are properly points out to warn workers. Messages are clear, as well as the location, colour and meaning of the signals.

There are warning signs NO smoking, NO eating and NO drinking and NO open flames.

Instructions for the use of PPE in specific work areas are in place also.

There are showers and eye wash stations in areas where cyanide is present. All eye wash stations have been regulated to reduce the water pressure to ensure it does not present any hazard to users.

There are sodium bicarbonate extinguishers strategically located throughout the operation.

Veladero integrates standard procedures for maintenance and inspection of showers, eyewash stations and fire extinguishers, at least once per month.

A colour code is used to identify piping and tanks with cyanide solution; flow direction is indicated as well.

Process and mixing tanks are properly identified to alert workers of its contents.

Veladero first aid procedures in the local language are available in the areas where cyanide is managed.

First aid procedures cover examination of the victim, medical care, role of the rescue squad, symptoms of poisoning, and administration of antidote among others.

The operation has procedures for reporting, investigating and assessing incidents involving cyanide exposure.

Worker Safety Practice 6.3: **Develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Worker Safety Practice 6.3**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 6.3 that requires that the site develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

There are showers and low pressure eye wash stations strategically placed in all areas where cyanide is managed. Autonomous breathing equipment are available. The antidotes currently used are Sodium Thiosulfate and Sodium Nitrite, replacing the amyl nitrite since it is difficult to procure. Antidotes can only be administered by medical personnel. All areas where cyanide is present are monitored by video cameras systems.

Veladero regularly inspects the first aid kit to ensure that equipment and items are available and in proper condition for use.

The replacement of materials and equipment is performed as recommended by the manufacturers.

Because antidotes can only be administered by a doctor and is only available in the medical service, Veladero has emphasized the training of workers on the use of supplied oxygen equipment that are available at workspaces.

Veladero has emergency response procedures to address potential accidental releases of cyanide.

Veladero has its own trained professionals at the Health Service and ambulance available 24 hours a day to assist patients poisoned with cyanide

Ambulances are parked at the entrance of the health services. Ambulances are equipped with oxygen and resuscitation equipment.

Beds, oxygen, a resuscitator, and other equipment for care patients are available in the medical center. Sodium Thiosulfate and Sodium Nitrite are kept at a controlled temperature.

First aid to victims of cyanide intoxication is provided administering the antidote sodium thiosulfate, Sodium Nitrite by the medical service.

Veladero has ensured that hospitals have the necessary medical training and will be trained so that they are informed about the possibility of treating patients from exposure to cyanide.

The Emergency Brigade conducts periodic drills to assess the response procedure in different situations of cyanide exposure. Lessons learned from the drills are incorporated into its response planning. The drills are conducted, evaluated and recorded under the Drills Plan.

PRINCIPLE 7 – EMERGENCY RESPONSE

Protect Communities and the Environment through the Development of Emergency Response Strategies and Capabilities

Emergency Response Practice 7.1: **Prepare detailed emergency response plans for potential cyanide releases.**

☐ in full compliance with

The operation is ☒ **in substantial compliance with** **Emergency Response Practice 7.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 7.1 which requires that the site prepare detailed emergency response plans for potential cyanide releases.

Veladero has emergency response plans to address potential accidental releases of cyanide. These plans take the necessary measures in the case of gas sodium cyanide release or cyanide solution or solid spilled. They consider three levels of emergency: A, B and C. The plan defines areas involved and responsibilities', instructions and procedures to be followed and, materials to be used. It includes a specific procedure for emergencies and one for Ground Transportation within the Mining Road. For emergency response, there are specific plans available for the emergency response team for the operations team.

The Emergency Plan includes the assessment of a catastrophic release of hydrogen cyanide from storage facilities or process area; accidents during NaCN transport, release during discharge and mixing, release during explosions and fires, valve, pipe and tank rupture and, ponds and reservoirs overflow.

Veladero has identified a number of possible scenarios for an incident with sodium cyanide inside the property and outside the property during cyanide transportation, which are addressed in the emergency response plans.

Emergency Response Practice 7.2: **Involve site personnel and stakeholders in the planning process.**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Emergency Response Practice 7.2**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 7.2 which requires that the site involve site personnel and stakeholders in the planning process.

Veladero maintains communication with communities and authorities in relation to the emergency response plans.

Veladero has an emergency plan with the community to respond to cyanide emergencies. As part of this plan, Veladero trains the Emergency Services of Rodeo and Jáchal for emergency response. Veladero maintains records of the training provided to the medical service, fire brigade, police and communities of Jáchal and Rodeo.

Veladero provided information to local ports with respect to the transfer of cyanide and the required safety measures. Local medical staff has been trained to treat cyanide-poisoned patients in coordination with the medical service of Veladero.

Emergency Response Practice 7.3: **Designate appropriate personnel and commit necessary equipment and resources for emergency response.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Emergency Response Practice 7.3**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 7.3 which requires that the site designate appropriate personnel and commit necessary equipment and resources for emergency response.

Veladero has not introduced significant changes to the Emergency Response Plan (POE) since the 2011 audit.

Veladero has designated primary and alternate emergency response coordinators, who have specialized training and have explicit authority to commit the necessary resources to implement the Plan. Veladero has defined the role of outside responders, medical centres and communities in emergency response procedures and keeps them informed about their role. The emergency plan specifies the responsibilities in emergencies during transport.

Emergency Response Plan includes call out procedures and 24 hour contact information for response team members.

The Plan states that the more rigorous training will be provided to the Emergency Brigade and staff in contact with cyanide, such as storage areas, processing plants and yard waste. Include procedures for call and contact information of coordinators and members of the security response team. There are information signs in different areas of the operation indicating the contact information of the response team.

The Plan includes procedures to inspect emergency response teams' equipment to ensure availability.

The cyanide emergency work plan with the community emergency services includes details of the involvement of external entities (such as police, firefighters and other civil defence authorities) and participation in drills, as appropriate.

Emergency Response Practice 7.4: **Develop procedures for internal and external emergency notification and reporting.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Emergency Response Practice 7.4**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 7.4 which requires that the site develop procedures for internal and external emergency notification and reporting.

The ERP states that Transport Emergency Response Plan and escorting convoys must communicate with public agencies involved in the situation such as Civil Defence, Fire Station, Police, Ministry of Environment, Traffic, transmitting all information obtained in the emergency room.

The ERP includes response procedures and contact information for reporting accidents involving cyanide which could affect surrounding communities. Contact information includes management, regulatory agencies, outside response providers and medical facilities. The ERP also includes procedures and contact information for communication with the media.

Emergency Response Practice 7.5: **Incorporate in response plans and remediation measures monitoring elements that account for the additional hazards of using cyanide treatment chemicals.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Emergency Response Practice 7.5**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 7.5 which requires that the site incorporate in response plans and remediation measures monitoring elements that account for the additional hazards of using cyanide treatment chemicals.

The Plan describes the measures to be taken in case of solid cyanide spill during transport from the warehouse to the process plant as well as cyanide solution spillage, indicating the procedure to recover and neutralize contaminated soil, complementing the detoxification procedures for monitoring of soils and spills of cyanide solutions. Bottled drinking water is provided on site.

Veladero maintains a procedure that involves measures to identify and monitor areas affected by cyanide spillages.

The operation prohibits the use of hypochlorite, hydrogen peroxide and ferrous sulphate to treat cyanide spillage into streams or natural ponds.

Emergency Response Practice 7.6: **Periodically evaluate response procedures and capabilities and revise them as needed.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Emergency Response Practice 7.6**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 7.6 which requires that the site periodically evaluate response procedures and capabilities and revise them as needed.

Veladero has committed to evaluate and update the POE at least every two years, based on review of the incidents and drills it could be updated more frequently.

Veladero maintains a Plan for Emergency Drills that has been achieved. There is no history of incidents involving cyanide.

PRINCIPLE 8 – TRAINING

Train Workers and Emergency Response Personnel to Manage Cyanide in a Safe and Environmentally Protective Manner

Training Practice 8.1: **Train workers to understand the hazards associated with cyanide use.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Training Practice 8.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 8.1. which requires that the site train workers to understand the hazards associated with cyanide use.

Veladero has a personal training program where the employee is taught about the general hazards of cyanide, among other issues. Overview of induction indicates that all staff working in areas where cyanide is present must have the training and know the dangers of cyanide.

The presentation on the use of CN, includes the following topics: what is CN, how it is transported, how it is stored, how it is handled, what are the risks involved, its effects, symptoms of intoxication, PPE equipment to be used when it is handled, concentration level permitted by the regulations, the effects of pH in the states of CN, how to act in an emergency, what to do in case of fire and the circuit of CN in Veladero.

Cyanide hazard refresher training is periodically conducted.

Training records and training program update are maintained by the Human Resources Department and, each area of operation keeps training records related with specific cyanide hazards.

Training Practice 8.2: **Train appropriate personnel to operate the facility according to systems and procedures that protect human health, the community and the environment.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Training Practice 8.2**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 8.2 which requires that the site train appropriate personnel to operate the facility according to systems and procedures that protect human health, the community and the environment.

Veladero has retained training records since the start of activities at the site. Records of training are specified by subject, name of the person who is trained, presenter name, date and evaluation score obtained.

Training records for handling of dangerous materials (cyanide) were shown to the auditor. The training materials given to hospital staff for cyanide toxicology training and treatment of severely intoxicated patients was reviewed.

Elements of training required for each job that involves handling of cyanide are adequately identified in the training materials. Through the Matrix of risk identification and risk assessment, Veladero identifies the elements that must be present in the training in cyanide risks.

Veladero personnel are trained appropriately by qualified professionals who provide training in activities related to cyanide management tasks. Training about cyanide Toxicology is given by experienced physicians. Plant Induction is given to every affected employee to work in the Process Plant.

Veladero gives employees refresher training about cyanide hazards once per year.

Training Practice 8.3: **Train appropriate workers and personnel to respond to worker exposures and environmental releases of cyanide.**

The operation is

☒ **in full compliance with**

☐ in substantial compliance with **Training Practice 8.3**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 8.3 which requires that the site train appropriate workers and personnel to respond to worker exposures and environmental releases of cyanide.

Veladero showed that employees working on the unloading, mixing facilities, production and maintenance are trained in cyanide emergency response.

The Emergency Brigade Team and Response Coordinators are trained in the procedures included in the emergency response plan and the use of equipment to respond to a dangerous situation with cyanide.

The operation has made off-site Emergency Responders, such as community members, local responders and medical providers, familiar with those elements of the ERP related to cyanide.

Veladero gives refresher training to their employees related to cyanide hazards and response to cyanide exposure.

Cyanide emergency drills are evaluated from the perspective of training to determine if the staff has the knowledge and skills necessary for effective response.

Human Resources department and relevant Areas where cyanide is handled save records documenting the formation of cyanide, including the names of the employees and the coach, the date of training, topics covered, and how the employee demonstrated an understanding of the training materials.

PRINCIPLE 9 – DIALOGUE

Engage in Public Consultation and Disclosure

Dialogue Practice 9.1: **Provide stakeholders the opportunity to communicate issues of concern.**

☒ **in full compliance with**

The operation is
☐ in substantial compliance with **Dialogue Practice 9.1**
☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in Full Compliance with Standard of Practice 9.1.

Veladero offers many opportunities for stakeholders to express their concerns.

Veladero provides multiple opportunities to third parties and to local residents to communicate issues of concern with mine staff and has demonstrated that is continually improving its relations programs with the community.

The operation manages these opportunities through a Communication Department with staff trained in its use.

Veladero has documented a high level of participation in the three year period since the 2011 audit.

Dialogue Practice 9.2: **Initiate dialogue describing cyanide management procedures and responsively address identified concerns.**

☒ **in full compliance with**

The operation is
☐ in substantial compliance with **Dialogue Practice 9.2**
☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 9.2 which requires that the site initiate dialogue describing cyanide management procedures and responsively address identified concerns.

The operation is in full compliance with Standard of Practice 9.2. Veladero, by means of four (4) different community programs, provides multiple opportunities to interact with stakeholders and to provide them information regarding cyanide management.

Veladero is continuously trying to improve the way to reach people to inform about the operation, and considers that the best way to do this is “face to face”.

The programs present information and allow feedback of issues of concerns that facilitate continuous improvement.

Dialogue Practice 9.3: **Make appropriate operational and environmental information regarding cyanide available to stakeholders.**

☒ **in full compliance with**

The operation is
☐ in substantial compliance with **Dialogue Practice 9.3**
☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Veladero is in full compliance with Standard of Practice 9.3 which requires that the site make appropriate operational and environmental information regarding cyanide available to stakeholders.

Veladero continuously makes information regarding the operation, including cyanide activities, available to stakeholders in a variety of written, verbal, and visual formats for different levels of education and ages.

The operation has developed written leaflets for the communities and other stakeholders that provide detailed information on cyanide management at the mine; however, the main way in which Veladero provides information is verbally and/or visually via the Programs Puerta a Puerta, Programa de Visitas, Programa de Difusión Comunitaria and Programa de Muestreo Participativo.

Specific information on exposures and releases is required to be reported to the local mining authority. Barrick also voluntarily makes this information available at their website.

There were no cyanide incidents during the audit period requiring public disclosure or reporting under applicable regulations.

Report Signature Page

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