

INTERNATIONAL CYANIDE MANAGEMENT CODE

Summary Audit Report **MINERA SOTRAMI S.A.** 2019

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SUMMARY AUDIT REPORT

Name of the Mine: Minera Sotrami S.A.

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Location and Description of the Operation

Sociedad de Trabajadores Mineros S.A. (Sotrami) has been operating since 1990 the gold deposits of the *Santa Filomena* mine, located on the heights of *Santa Rosa* creek, at an altitude of 2,400 meters above sea level, in the district of *Ancos, Ayacucho*, Peru.

Initially this was an informal mining center that gradually increased in both mining workers and population. Around the undermining has been formed a village of precarious housing that currently exceeds 1,500 people. The vast majority of the population engages in this work directly, even women do so as an additional task to domestic work. Dependent on this activity, a varied set of small trade and services activities occupy a minority sector of the population. To date, miners have been organized in business to achieve a safe and efficient exploitation of the mineral resources, gradually adapting to the rules of mining health and safety.

The gold deposits in veins are exploited by "cut and ascending filling" works, with an operating rate of 15 t/day. Mining is carried out using drilling machines in 2 by 2 m galleries, which follow the course of the veins. Ore is transported by "metal buggies", which are mining carts adapted with tires, for men push transport; in other cases, pulleys or rustic hoisting systems are used to extract the ore in buckets, from shafts and galleries to a hopper, and from there to the buggies. Ore hoisting is done using "hoisting winches" through holes or built infrastructure intended exclusively for these purposes.

The process plant is located 10 km from the mine at the confluence of *Santa Rosa* and *Acaville* creeks, at 1,270 meters above sea level. The environmental characteristics of the area involve predominantly arid areas with sparse vegetation and a typical fauna of steppe zone. The abrupt topographical characteristics of the area and the lack of water limits the agricultural activities. The climatic classification of the region is pre-arid to semi-warm, with average annual temperatures that have a maximum of 24 to 27 °C and a minimum of 16 to 17 °C. Annual precipitation is 2.1 mm.

The area is shaped by igneous rocks and unconsolidated sediments surface. The igneous rocks, which constitute the basement of the region, create impermeable rocks or very little permeability. It is observed in the field constituting the mountainous mass, where the gold mineralized structures of the region are housed. Due to the arid characteristics of the region (scarce rainfall), and that the fractures are filled with mineral and clay, it is considered that there are no deep leaks, not observing in the field evidences of table water outbreaks in the lower parts of the hills.

SUMMARY AUDIT REPORT

The area occupied by the plant is 15,000 m², which includes an ore collection yard, coarse hopper, primary and secondary crushers, crushed ore yard, a fine hopper and areas for grinding, cyanidation, desorption, electro-deposition, melting, refining, activated coal regeneration area and a laboratory.

Currently the ore is transported from the mine to the process plant in 10-ton trucks, using wooden bags and in bulk to the coarse hopper yard. The amount of ore coming from the Santa Filomena mine varies from 300 to 400 ton/month. Sotrami also receives material from third parties such as artisanal miners and contractors at a rate of 1,000 ton/month. The process plant capacity is 120 t/day.

The primary crush starts in the coarse thick hopper. The ore is passed through a jaw crusher where the material with 1/4" size granulometry feeds a vibrating screen. The thick product is unloaded to another jaw crusher in a closed loop.

The fine product from the vibrating screen is deposited in the fines hopper to be transported to a sampling yard by dumpsters and separated by batches of origin. Each lot is analyzed to determine the metallic content of gold and silver in the ore, which in average is 24 gr/t of gold. Then the is moved to a hopper, using a front-end loader.

In the grinding area two ball mills operate carrying the primary and secondary grinding, from where the ore is sent to the cyanidation tanks. In this area sodium cyanide (NaCN), sodium hydroxide (NaOH) and water are added in order to obtain a pulp density between 35 and 50% of solids or 1,350 kg/l.

The cyanide pulp from the grinding area, with pH between 10 – 12 is sent to a cylindrical leacher and by gravity passes to the next tank where the activated charcoal is held for the process of carbon in pulp (CIP) or adsorption.; this process is repeated in other 5 tanks. After a time, the harvest of the activated coal is made from all tanks to obtain the gold. The overflow of the last cell is sent to the tailing's facility, with gold content between 0.9 and 1.0 gr/t.

Then the desorption process is performed with activated charcoal loaded with valuable material; which is stored in a cylindrical tank and is added alcohol ethanol, NaCN and NaOH, at temperatures between 80 to 85 C° and at atmospheric pressure with to wash the precious metals, passing these to the solution, and then being sent to the electrolyte cells.

In the electrodeposition area the gold-charged solution is treated in the electrolyte cells. They are worked with fairly low voltages of the order of 2 to 4 volts, depending on the conditions of the solution. The anodes are made of stainless steel and the cathodes from steel wool.

In the refining area, the gold-rich steel wool is treated in an HCl container. To dissolve the steel, regal water is added to separate the silver from the gold, then precipitate it as AgNO₃. Separated the gold in the solution, it is precipitated with the addition of diluted NaOH, then the pulp is filtered into a cloth, leaving the "golden mud".

In the smelter, the "golden mud" is processed. The first slag removes the wool or steel mesh, the metal left in the crucible is again melted with the addition of fluxes with the purpose of removing impurities, and then being emptied into a mold. This is treated with HNO₃ for final cleaning, obtaining a high purity metal product of 99.95%, which is exported to Switzerland.

Coal (free of rich substances), is washed with acids to remove organic substances, sieved into a screen and selected to an appropriate size; then to be sent to the regeneration furnaces at temperatures of

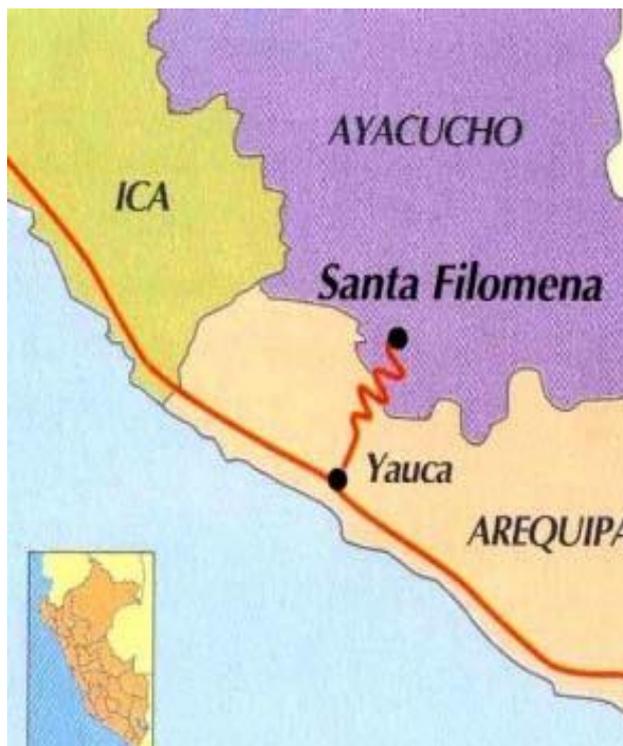
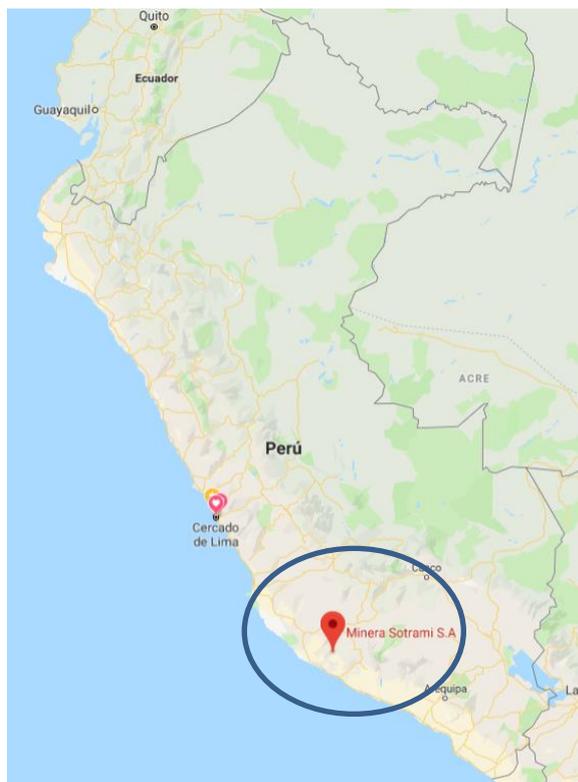
600 to 650 C°. This process reactivates the coal surface and is then mixed with new carbon to return to the CIP circuit.

Sotrami has a tailings facility dam where the final industrial solid waste is disposed of, after the gold recovery process. This dam is located in the south west area of the unit, the main cup comprises a perimeter of 330.5 m, with a total volume of 53,110.00 m³, which was increased with a vertical growth of 5 meters, reaching a final storage volume of 88,110 m³.

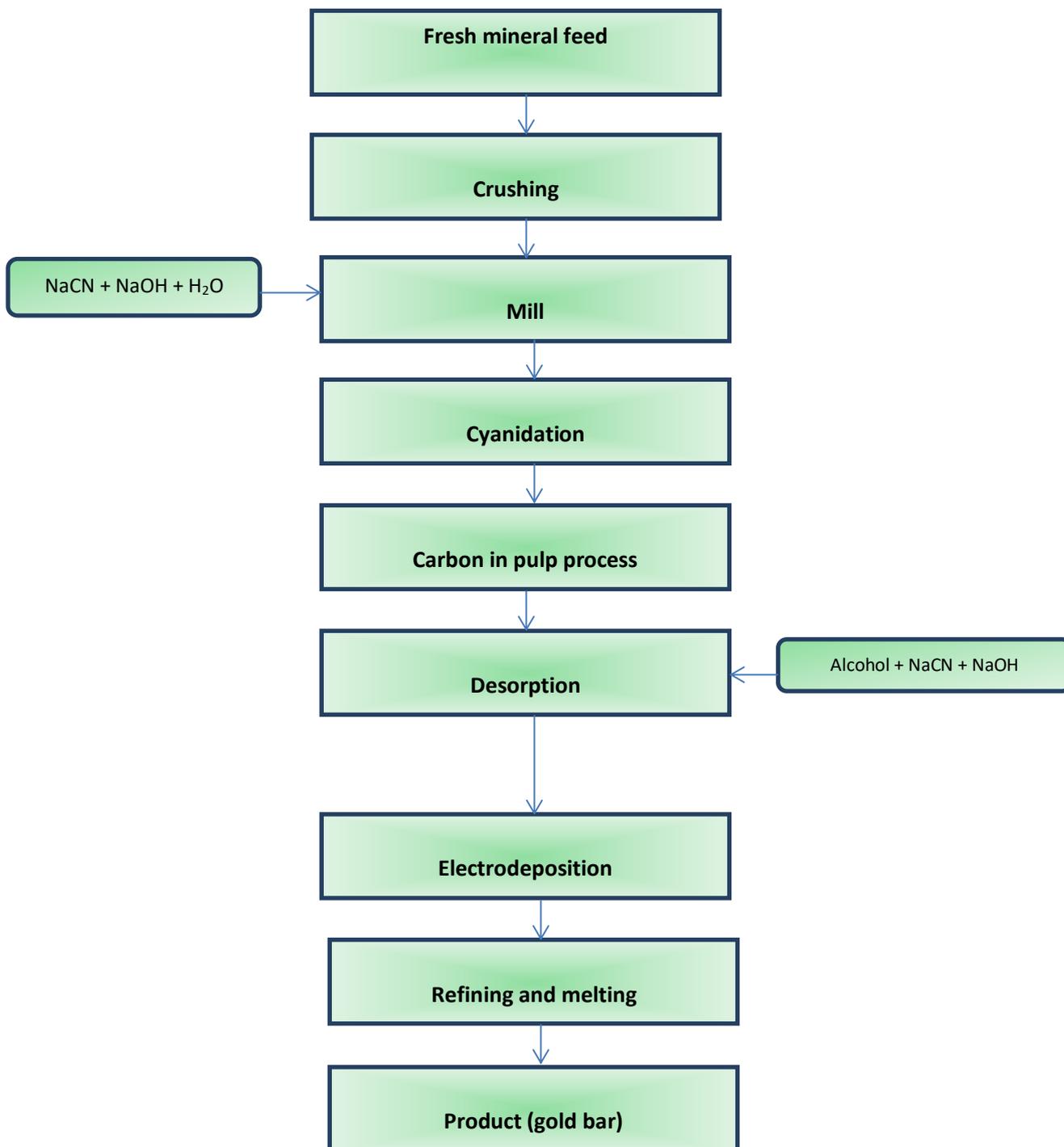
The crown width is 6.0 m, with a rest angle of 45 degrees of slope, the foot of this is calculated at 18 m as well as the total height; The coating used 0.75 mm geomembrane and has an internal drainage system with drainpipes in fishbone arrangement that go to the 50 m³ drainage well located at the outside.

Tailings from the process plant is discharged by means of a 4.0-inch diameter HDPE pipeline, in "downstream" system, the decanting of solutions is done naturally forming the mirror of which the solution barren is pumped to the plant.

Sotrami Mine Location



Sotrami Ore Processing Flowsheet



Auditor's Finding

The operation is:

- in full compliance
- in substantial compliance**
- not in compliance

with the International Cyanide Management Code.

The operation has satisfied the following three criteria required by the ICMI for the items found in substantial compliance:

- first, the operation has made a good-faith effort to comply,
- second, it is possible for the operation to bring the deficiencies into full compliance within one year,
- and third, there can be no immediate or substantial risk to health, safety or environment from the items found in substantial compliance.

The Corrective Action Plan to bring this operation in substantial compliance into full compliance is enclosed with this Summary Audit Report. The plan must be fully implemented within one year from the date of this audit.

Audit Company: Bruno Pizzorni

Audit Team Leader: Bruno A. Pizzorni

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Names and Signatures of Other Auditors:

Bruno Pizzorni - Mining Technical Auditor

Date(s) of Audit: February 26, 27 and 28, 2019



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 Mine Operations and using standard and accepted practices for health, safety and environmental audits.

Minera Sotrami S.A.

Name of Operations



Signature of Lead Auditor

February 28, 2019

Date

Principle 1, Production

Encourage responsible cyanide manufacturing by purchasing from manufacturers who operate in a safe and environmentally protective manner.

Standard of 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.

The operation is:

- in full compliance** with Standard of Practice 1.1
- in substantial compliance
- not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

Although Sotrami does not have a cyanide supply contract, buys cyanide produced at a facility that has been certified as being in compliance with the Code.

Sotrami buys solid cyanide briquettes in 50 kg drums to an independent distributor CUSA S.A.C., (CUSA) since December 17, 2018, who in turn imports the cyanide from the cyanide producer TongSuh plant in South Korea. Both the cyanide manufacturer and the distributor have been certified as being in compliance with the Code.

TongSuh Petrochemical Corporation, Ltd., Republic of Korea (TongSuh), was certified under the Code on March 10, 2008 and then on 2011, 2014 and lately on March 23, 2017. CUSA was certified under the Code on July 06, 2016 and then on April 11, 2018.

The auditor reviewed the invoices issued by the independent distributor CUSA to Sotrami, for the period from December 17, 2018 to February 27, 2019 where the amount of cyanide from the TongSuh factory is recorded, finding the information in accordance. Additionally, the auditor verified that the drums with cyanide stored by Sotrami are from the TongSuh factory.

Principle 2, Transportation

Protect Communities and the Environment During Cyanide Transport.

Standard of 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.

The operation is:

- in full compliance** with Standard of Practice 2.1
- in substantial compliance
- not in compliance

SUMMARY AUDIT REPORT

Summarize the basis for the Finding/Deficiencies Identified:

At the time of the audit, Sotrami did not have a cyanide supply contract, and although the cyanide manufacturer TongSuh and the independent distributor CUSA, were certified under the Cyanide Code, it was found that the current trucking company transporting cyanide from CUSA to the mining operation, *Transportes CGUZ Perú SAC*, was not certified under the Code.

Soon after the audit Sotrami began to hire cyanide transportation with *Edewit S.R. Ltda.* (Edewit) a Code signatory trucking company. Edewit was initially certified on April 4, 2014 then on July 12, 2017. Although Sotrami do not has a written agreement with Edewit for cyanide transportation, Edewit being certified on the Code, fulfills with all the responsibilities required, as applicable in this question.

Although by the time of the certification audit, Sotrami did not hold an agreement with a cyanide producer, distributor or transporter, the operation is in compliance regarding that any designated responsibility in this sense will be extended to a subcontractor, if used for these activities.

Standard of Practice 2.2

Require that cyanide transporters implement appropriate emergency response plans and capabilities and employ adequate measures for cyanide management.

The operation is:

- in full compliance** with Standard of Practice 2.2
- in substantial compliance
- not in compliance

Discuss the basis for the Finding/Deficiencies Identified:

Although Sotrami do not hold a formal agreement with any cyanide distributor and transporter, the operation buys cyanide to CUSA and contracts cyanide transportation with Edewit, all companies certified under the Cyanide Code.

At the time of the audit, Sotrami contracted cyanide transport with *Transportes CGUZ Perú SAC*, a trucking company not signatory of the Code.

Soon after the audit Sotrami began to hire cyanide transportation with *Edewit S.R. Ltda.* (Edewit) a Code signatory trucking company. Edewit was initially certified on April 4, 2014 then on July 12, 2017.

The auditor reviewed Edewit invoices and bill of ladings for cyanide transportation to Sotrami mine site covering April to May 2019, finding them in order. Sotrami reports they are considering signing quarterly agreements for cyanide transportation with Edewit or other Code signatory transporter. No additional action was required, resulting this question in compliance with the Code.

Sotrami has the chain of custody records identifying all elements of the supply chain: producer, transporters and storage facilities. The records show that cyanide from by TongSuh producer in South Korea is imported to Lima, Perú by means of CUSA's Supply Chain and then is shipped to the mine site with Edewit trucking company. From the CUSA audit summary report, posted in the ICMI website, the auditor confirmed that each element of the CUSA Supply Chain is identified, covering cyanide transportation from the TongSuh producer to CUSA's warehouse at Lina Perú.

Principle 3, Handling and Storage

Protect workers and the environment during cyanide handling and storage.

Standard of Practice 3.1

Design and construct unloading, storage and mixing facilities consistent with sound, accepted engineering practices and quality control and quality assurance procedures, spill prevention and spill containment measures.

The operation is:

- in full compliance** with Standard of Practice 3.1
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sotrami's facilities for unloading, storing and mixing cyanide have been professionally designed and constructed according accepted engineering practices. The auditor reviewed the design drawings performed, signed and stamped by Sotrami's Planning Department certified professional engineers, dated February 2018.

The facilities were constructed by *Grupo e Inversiones W&R S.A.C (W&R)*, a formal contractor who performed and executed the engineering works, construction and assembly of the plant, including the unloading, storing and mixing cyanide facilities. The auditor reviewed a Construction Certification Letter provided by W&R from February 12, 2019 confirming the plant was commissioned and all systems were functioning within the intent of the design and that all equipment and facilities for unloading, mixing and storage of cyanide have been designed and manufactured according to assumptions, parameters and engineering practices accepted for this type of facility.

The unloading and storage area for solid cyanide briquettes is located away from people concentration areas and surface water, over a competent concrete pavement located in the process plant. Although rainfall in the area is scarce, Sotrami installed a installed a rainwater collection channel, thus allowing the protection from the surface runoff water that could drain into the cyanide warehouse. They also installed in the front enclosure a protection with raschel mesh to protect storage against cross-rain, allowing ventilation at the same time.

The storage area is totally fenced, and no offices are located close to the cyanide storage area. The cyanide storage area and offload facilities are located a safe distance from the public and away from locations where workers may congregate.

Sotrami does not receive liquid cyanide.

Sotrami has level sensors indicators installed in all his 11 process tanks to prevent the overflowing of cyanide storage tanks. At the time of the audit, the operation method to prevent overflowing was by mean of visual inspections. On occasion of the audit site visit, el auditor noted that Sotrami was in the process of installing the level sensors in each process tank in the plant. After the audit, the operation sent pictures of the system installed, describing its operation.

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The normal work volume of operation for the tanks is 90% and the activation of the sensors, alarms and sirens is when it rises to 95% of its volume. Is a single high-level warning. When the sensor and alarm is activated, it indicates that one of the tanks is about to present pulp overflow either by sanding in the discharge or problems in the overflow line, among others. This alarm is visualized in a panel where the screen "Display (HMI)" and by means of the sensor in each tank, it allow the operator to verify which tank sensor was activated and in this way is able to act and immediately manually control the level rise of the tank to avoid the overflow.

The cyanide mixing and storage tank is contained within concrete berms with good condition concrete flooring that can prevent seepage to the surface, although ground water at the process plant location is found to be approximately at 120 m deep, according to the EIA. The bermed containment area is sized to contain 110% of the largest tank volume and have been confirmed previously as part of engineering specification checks.

During the field inspection, the containment area was noted to be in relatively good condition, with no significant damage, spalling or cracking evident.

The secondary containment for the cyanide mixing and storage tank is constructed with concrete to provide a competent barrier to leakage. The tank is located within a bermed concrete impoundment, which was observed to be of sound integrity and considered suitable for containment in the event of a release or tank failure, providing competent barrier to leakage. The berms and containment area are also subject to daily inspections at the beginning of each shift.

The cyanide storage facility has vents at the four sidewalls. As such, it provides adequate ventilation to prevent build-up of hydrogen cyanide gas in the event that the cyanide comes in contact with water.

Cyanide is stored under a roof, in 50 kg drums to minimize the potential for contact of solid cyanide with water. As mentioned in question 3.1.2, the auditor found that the cyanide storage area is downhill from the access platform to the warehouse area with the potential of being flooded by runoff water in case of heavy rain. After the audit, Sotrami installed a rainwater collection channel, thus allowing the protection of the surface runoff water that could drain from the access ramp to the cyanide storage. No additional action was required in this sense.

Sotrami stores the sodium cyanide drums in a secure area where public access and not authorized mine personnel access is prohibited. The cyanide storage, which is in a building within the fenced boundary of the plant, has a separated fenced and locked area. Warning signs are posted at the entrance, prohibiting the access to non-authorized personnel. The access to the plant area is also restricted.

The storage area has separation compartments for incompatible materials as is a necessary practice in the management of all hazardous materials including cyanide. No storage of acids, strong oxidizers or explosives was observed during the field inspection.

Standard of Practice 3.2

Operate unloading, storage and mixing facilities using inspections, preventive maintenance and contingency plans to prevent or contain releases and control and respond to worker exposures.

The operation is:

- in full compliance** with Standard of Practice 3.2
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sodium cyanide is received onsite in cans of 50 kg. The Standard Operation Procedure (SOP) *P-SOT-PLT-09.01 Washing of Empty Sodium Cyanide Containers* specifies measures undertaken to ensure that cans are managed in such a manner to prevent their use for any other purposes than holding cyanide.

The SOP for washing empty cyanide containers establishes empty cyanide cans to be rinsed 3 times with water while monitoring HCN levels. The washing solution is evacuated towards the general emergency pond. The solution accumulated in the emergency pond is transferred to the leach tanks.

Once drained, the empty cans with the plastic bags inside are transferred with the loader to the empty cyanide can store, where before entering the cans are crushed to be stacked.

Cyanide is not purchased in reusable containers and, as such, no packaging is returned to the supplier.

Sotrami has developed and implemented the following procedures to prevent exposures and releases during cyanide unloading and mixing activities: *P-SOT-PLT-04.01 Download and Storage of Sodium Cyanide*; *P-SOT-PLT-07.01 Cyanide Transfer from Storage to Cyanide Preparation Tank*, and *P-SOT-PLT-08.01 Handling and Preparation in the Sodium Cyanide Tank*.

The auditor observed the operation needed to address in SOP *P-SOT-PLT-08.01 Handling and Preparation in the Sodium Cyanide Tank*, to lock valves at the mixing tank before begin pouring cyanide. After the audit the SOP was updated including this precaution and no additional action was required.

All three SOPs include considerations regarding handling cyanide containers without rupturing or puncturing. They provide instructions for the safe handling of sodium cyanide 50 kg cans including handling upon receipt, storage and transport to and from the mixing area. The procedures require the use of cones to isolate the area during the activity. The auditor verified that this task was performed as outlined in the SOPs.

The SOP for download and storage of sodium cyanide states limits to the height of stacking of cyanide containers. It prescribes to stack the cyanide cans in three rows in a safe manner, allowing access, lowering and removal for preparation.

Sotrami SOP for handling and preparation of cyanide solution states that in case of spills of sodium cyanide, the support staff will immediately activate the Emergency Crew and the Central Emergency Committee. Once the contaminated soil has been collected, neutralize with diluted solutions of lime and sodium hypochlorite.

SUMMARY AUDIT REPORT

The auditor observed the operation needed to address in SOP *P-SOT-PLT-08.01 Handling and Preparation in the Sodium Cyanide Tank*, that after every cyanide solution preparation any spill of cyanide (any briquette or cyanide visible remaining) must be timely clean up. After the audit the SOP was updated including this precaution and no additional action was required.

The SOP *P-SOT-PLT-08.01 Handling and Preparation in the Sodium Cyanide Tank* requires operators to use the appropriate PPE during mixing activities. These include steel-toed boots, rubber gloves, approved respirator, face shield, Tyvek suit and hardhat among others.

A cyanide mixing event was observed during the audit. Although the procedure needs to include that at least, two workers are present during the mixing activity, during the site visit, the auditor observed the mixing activity was done by two workers. One operator stationed at floor level helps hook the can in the overhead crane and observes the second operator who, working from an elevated deck near at the top of the mixing tank, open the can, introducing the content into the mixing tank. In addition, the procedure needed to address that all accesses to the mixing area must be cordoned off by means of a colored string and warning signs.

After the audit the SOP was updated including these two precautions: 1) that at least, two workers are present during the mixing activity, and 2) that all accesses to the mixing area must be cordoned off by means of a colored string and warning signs. No additional action was required to be in compliance.

Sotrami is not using colorant dye on site yet. This new requirement of the Code, which will be auditable starting July 1st, 2019, was communicated to the site during the audit. Sotrami indicated their willingness to implement this requirement promptly as they recognized it would be beneficial for the operation.

Principle 4, Operations

Manage cyanide process solutions and waste streams to protect human health and the environment.

Standard of Practice 4.1

Implement management and operating systems designed to protect human health and the environment including contingency planning and inspection and preventive maintenance procedures.

The operation is:

- in full compliance
- in substantial compliance** with Standard of Practice 4.1
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sotrami has developed written Standard Operation Procedures (SOPs) and plans for the cyanidation operation including unloading, storage and mixing facilities, leach plant, tailing impoundment, among others.

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Although the reviewed procedures in general met the Code requirements, some needed to consider additional statements or to be more specific as required by the Code enable a safe operation. After the audit, Sotrami sent the auditor new versions of the procedures incorporating all additional considerations required. No additional action was required.

The site's operating procedures incorporate the assumptions and parameters on which the design was based, as well as applicable regulatory requirements related to prevention of cyanide releases and exposures. The site SOPs specify the freeboard (1.5 m) to avoid spills and the cyanide concentrations (below 50 mg/l WAD cyanide) in the tailings dam on which the facility's wildlife protection measures were based. Sotrami has also set in the respective SOP the freeboard to maintain in the cyanide mixing and leaching tanks, the necessary pH to maintain in to avoid the formation of HCN gas, among others.

Sotrami has developed and implemented standard operating procedures for the safe and environmentally sound operation of the facility including inspections but need to address specific preventive maintenance activities. The SOP Equipment Maintenance Program and Residue Disposition shows the health & safety (H&S) measures to keep during the maintenance program. It is required to include or refer the preventive maintenance program for the plant equipment. The Corrective Action Plan to bring these audit findings into full compliance is attached to the Summary Audit Report.

Sotrami has developed the procedure P-SOT-PLT-023.01 Change Management to identify when changes in a site's processes or operating practices may increase the potential for the release of cyanide and to incorporate the necessary release prevention measures. Proposed modifications must be evaluated for Safety, Health and Environmental impact and a signed document should be available before the change can be implemented.

Although the procedure last version is from September 10, 2018, no examples of its implementation in the mining operation were found. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

The operation has cyanide management contingency procedures for situations when there is an upset in the facility's water balance, and is identified a deviation from standard operating procedures, or when a temporary closure or cessation of operations may be necessary. The following contingency procedures have been developed: Pulp Overflow Control; Pulp Spill; Tailings Disposal; and Mills Stop or Temporary Cessation of the Grinding System due to Pulp Overflow.

Sotrami has established weekly, monthly and monthly inspections for the process plant equipment and installations and tailings dam. Sotrami developed in 2019 an annual inspection program for the cyanidation plant, which includes the unloading, storage, mixing and process areas. The operation also modified its inspection checklists including specific cyanide elements to check and 3 months inspection records were provided to the auditor as evidence of its implementation.

Sotrami inspects its unloading, storage, mixing and process areas; inspects tanks holding cyanide solutions for structural integrity and signs of corrosion and leakage; secondary containments for their integrity, the presence of fluids and their available capacity, and to ensure that any drains are closed and, if necessary, locked, to prevent accidental releases to the environment; performs visual inspections for leak detection and collection at the tailings pond; inspects pipelines, pumps and valves for deterioration and leakage; and the tailings pond for cyanide containment and available freeboard. As for the diversion of waters and although it is in a very arid zone, the mine ensures that the seasonal

stream adjacent to the plant is free of obstacles and prepared to function properly in the event of any eventual rain. The operation provided 3 months inspection records where all these elements are inspected.

Inspections are documented, including the date of the inspection, the name of the inspector, and any observed deficiencies. The nature and date of corrective actions are documented, records are retained.

Sotrami has a monthly maintenance schedule which the auditor found to be accomplished according to established by the operation. The maintenance area has a preventive maintenance program for pumps, pipelines, valves, filters, tanks and cyanide facilities in general. Maintenance necessary to keep the integrity of process equipment is performed according to this monthly schedule and every time it is needed to keep equipment and installations working properly.

Sotrami has a power generator of 440 kw on site and other of 200 kw for backup, located in a dedicated building close to the process plant. The generator supplies power to the mill, the processing plant and administration areas. Mill and plant operations require 230 kw.

Standard of Practice 4.2

Introduce management and operating systems to minimize cyanide use, thereby limiting concentrations of cyanide in mill tailings.

The operation is:

- in full compliance** with Standard of Practice 4.2
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sotrami performs metallurgical test as the geologic of the material processed is very varied. Sotrami process in the plant not only its own mined mineral, but also other ore mineral provided by thirds small miners. Every batch mineral is inspected visually and when showing different geological conditions, it is performed a metallurgical test.

The auditor reviewed several examples of metallurgical test reports made by the Sotrami laboratory performed according to their SOP Metallurgical Testing Procedure. The mine identifies its ore to process through this laboratory validation, and knowledge of the plant metallurgical procedure for its treatment. Similarly, this procedure is performed for the already know different sources of supply of collection ore (mining provided by artisans in the area), which are also identified by a code that indicates what metallurgical treatment the plant does.

If there is a new ore supplier or ore to process brings sulfurized or mixed matter (oxide and sulfur), metallurgical tests are done to define its treatment. Through blending, Sotrami mixes the minerals from different sources of supply and determines an average head law, with which they have already identified on how much cyanide strength they should use steadily for the average of that law calculated by blending. The auditor reviewed several examples of the metallurgical tests performed in their lab.

Cyanide addition is evaluated during the metallurgical tests and controlled with an optimum target set for cyanide consumption. There are two cyanide addition points: one at the mill and the other at the melting area. Cyanide addition at Sotrami is controlled from the primary control room in the mill. Actual monitoring and measurement of cyanide concentrations at various points in the process is conducted by mill personnel via real time titration analysis.

The operation implemented a strategy to control its cyanide addition. The strategy of Sotrami has to do with the use of mineral blending. Through blending, Sotrami mixes the minerals from different sources of supply and determines an average head law, with which they have already identified on how much cyanide strength they should use steadily for the average of that law calculated by blending.

Standard of Practice 4.3

Implement a comprehensive water management program to protect against unintentional releases.

The operation is:

- in full compliance
- in substantial compliance** with Standard of Practice 4.3
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

During the audit at the mine site, Sotrami did not support evidence of having a water balance. Subsequently the operation sent the auditor a PDF showing a table with the volumes of water required for the process of the plant, as part of the study *Third Technical Sustainability Report (ITS) of the "Santa Filomena II" Benefit Plant*. This evidence was not accepted by the auditor. Later, Sotrami sent an Excel file showing basically the same information, evidence that is not accepted either.

Sotrami is required to prepare an adequate water balance that it has reasonably considered the appropriate factors, and that the site implements the necessary practices to maintain the balance. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

The water balance will have to consider the following in a reasonable manner and as appropriate for the facilities and environment:

- the rates at which tailings are deposited into tailings storage facilities;
- a design storm duration and storm return interval that provides a sufficient degree of probability that overtopping of the impoundment can be prevented during the operational life of the facility;
- the quality of existing precipitation and evaporation data in representing actual site conditions;
- the amount of precipitation entering the impoundment resulting from surface run-on from the up-gradient watershed, including adjustments as necessary to account for differences in elevation and for infiltration of the runoff into the ground;
- solution losses in addition to evaporation, such as the capacity of decant, drainage and recycling systems, allowable seepage to the subsurface, and allowable discharges to surface water;

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- the effects of potential power outages or pump and other equipment failures on the removal of water from a facility; and
- other aspects of facility design that can affect the water balance, such as the assumed phreatic surface in a tailing's storage facility.

The significance of these factors will vary depending on the facility's environment, including both temperature and precipitation. It is also dependent on the nature of its operations. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

Inspection and monitoring activities necessary to ensure that the operation follows its water balance should be included in its operating plans and procedures. This should include items such as monitoring of the freeboard or solution volume in ponds and impoundments. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

When ready, the water balance or design documents for ponds and impoundments should be reviewed to confirm that a minimum freeboard over the design storage capacity is specified. The Code does not mandate a specific freeboard. However, the Implementation Guidance notes that one-half to one meter is a typical freeboard for tailings impoundments, while a larger freeboard is typically necessary for leach ponds due to their much smaller ratio of surface area to drainage area.

The operation's actual inspection records should be reviewed to verify that these inspection and monitoring activities are being conducted. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report

It was not evident that the operation measure precipitation, compare the results to design assumptions and revise operating practices as necessary. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

Standard of Practice 4.4

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

The operation is:

- in full compliance
- ✓ **in substantial compliance** with Standard of Practice 4.4
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

During the audit at the mine site, Sotrami completed the fencing work the tailings dam with galvanized wire mesh, providing a competent restriction to access by wildlife and livestock.

Although Sotrami showed test reports for soil monitoring in 3 different locations at the foot of the tailings dam, resulting all in less than 0.193 mg/l WAD cyanide levels. Due to the fact that these samples were taken for soil at the foot of the tailings dam and not to water in the tailings impoundment, the auditor could not conclude these results were representative to ensure WAD cyanide do not exceeds 50 mg/l.

In case the test reports from the tailing's impoundment water shows WAD cyanide exceeds 50 mg/l Sotrami would have to install protection for birds.

As mentioned above, Sotrami showed test reports for soil monitoring at the foot of the tailings dam, resulting all in less than 0.193 mg/l WAD cyanide levels. The auditor could not conclude these results were representative to ensure WAD cyanide do not exceeds 50 mg/l because the samples were taken for soil at the foot of the tailings dam. Sotrami is asked to show test reports for WAD cyanide samples taken in water of the tailing's impoundment.

From a review in Envirotest website on the scope of accreditation of the laboratory tests, the auditor found the lab is accredited for the Colorimetric Method" for WAD cyanide, not found the accreditation for the "Cyanide Extraction Procedure for Solids and Oils". It is required the test reports are performed by an accredited lab in the type of essay performed to analyze levels of WAD cyanide. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

As reported by Sotrami Health, Safety & Environmental (HSE) manager, they perform weekly inspections to the tailings dam and no wildlife mortality was found, that on any finding it would be reported and treated as an HSE incident. Also stated Sotrami has been successful at preventing wildlife mortalities related to cyanide facilities in the last year. The auditor reviewed inspection records from the tailings dam, where wildlife mortality items were included, indicating that there has been no mortality to date.

The operation do not have heap leach cyanidation.

Standard of Practice 4.5

Implement measures to protect fish and wildlife from direct and indirect discharges of cyanide process solutions to surface water.

The operation is:

- in full compliance** with Standard of Practice 4.5
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sotrami does not have any direct or indirect discharges to surface water. The Process Plant does not generate discharges to surface water because it is designed in a closed circuit, where the effluents are recirculated and reused to be able to obtain from them up to the minimum content of extractable residual gold. Eventually, water will be obtained from the washing of the reservoirs of poor solutions, which will be recycled to the system.

Standard of Practice 4.6

Implement measures designed to manage seepage from cyanide facilities to protect the beneficial uses of ground water.

The operation is:

- in full compliance** with Standard of Practice 4.6
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

The main facilities that may contribute to seepage are the tailings impoundment and the leaching tanks at the process plant. According to the report "Detail Engineering of the Tailings Deposit B of the Santa Filomena II Benefit Concession", from ACOMISA mining consultants dated from 2018, the groundwater level in the area is estimated to be at a depth of approximately 120 to 130 meters.

The tailings impoundment has full lining with synthetic materials. A first layer made from non-woven geotextile of 300 gr/cm² on the internal slopes of the vessel for protection of the geomembrane and a second layer with a HDPE geomembrane of 1.1 mm thick.

The plant leaching tanks have been built on reinforced concrete slabs 15 cm thick with waterproofing treatment. The whole area has a secondary containment of reinforced concrete.

Verification included a review of the facility's design and operating practices, observation of the facilities and interviews with personnel. The auditor reviewed a complete set of engineering drawings of the plant and tailings impoundment signed by a competent professional. The project has been approved by local authorities as was found in compliance with national regulations.

No designated beneficial use exists for groundwater in the area.

According to the project environmental impact Assessment (EIA), the current use of the land in the project area is considered land of protection, inappropriate for agricultural purposes (Acaville creek), for not having water and for the characteristics of the type of soil. The soils of the area project for its capacity to use are in class VII, which includes areas not appropriate for intensive or agricultural crops, except for small very focused areas, dedicated to agricultural purposes of internal consumption.

Also, the EIA states that due to the arid characteristics of the region (scarce rainfall) with average precipitation in the area being 2.1 mm/year and that the fractures are filled with mineral and clay, it is considered that there are no deep leaks, not observing in the field evidences of table water outbreaks in the lower parts of the hills.

Sotrami does not use mill tailings as underground backfill.

Sotrami does not have seepage that has caused cyanide concentration of groundwater to rise about levels protective of beneficial use.

Standard of Practice 4.7

Provide spill prevention or containment measures for process tanks and pipelines.

The operation is:

- in full compliance** with Standard of Practice 4.7
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Spill prevention and containment measures are provided for all cyanide mixing and process solution tanks. These tanks, all within an interconnected concrete secondary containment which is in good condition and provides a large containment area. The auditor verified by observation of the facilities and review of the design drawings, that all cyanide mixing and process solution tanks are provided with reinforced concrete slab in good conditions.

The plant leaching tanks have been built on reinforced concrete slabs 15 cm thick with waterproofing treatment. The whole area has a secondary containment of reinforced concrete.

The entire process area is contained within a concrete pad surrounded by curbs and walls, providing a competent barrier against solution leaks. The concrete floor is sloped to drain to concrete trench drains, where any spill will be pumped back to the process. The secondary containment system is inspected periodically as part of the process facilities inspection system.

The auditor observed during the audit that Sotrami personnel was working on repairing the concrete pavement containment systems which showed cracks and signs of wear. This was observed as an audit finding. After the audit, Sotrami sent pictures showing all cracks and signs of wear in the pavement repaired, providing a competent waterproofed surface. No additional action was required.

Secondary containments for all cyanide mixing and process tanks are sized to hold a volume greater than that of the largest tank within the containment and any piping draining back to the tank, with additional capacity of 10% the volume of the greater tank. The secondary containment volume calculations were reviewed and deemed as sufficient.

The entire process area is contained within a concrete pad surrounded by curbs and walls, providing a competent barrier to seepage. The concrete floor is sloped to drain to concrete trench drains, where any spills or rainwater will be pumped back to the process.

The auditor observed that the secondary containments were maintained empty, with no materials stored inside them. In addition, design drawings of secondary containments for cyanide storage, mixing and process tanks were reviewed by the auditor and were found in compliance.

Sotrami has developed and implemented the procedure *P-SOT-PLT-25.01 Pulp Spills* to prevent discharge to the environment of any cyanide solution or cyanide-contaminated water that is collected in the secondary containment area in the process plant. All tanks and cyanide facilities are located inside concrete secondary containment systems with dedicated pumps that remove solutions and return them into the process circuit.

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The procedure *P-SOT-PLT-08.01 Handling and Preparation in the Sodium Cyanide Tank* address management of overflows from the sodium cyanide mix tank and any spills flow into the concrete bounded area that redirects solution to a sump pump. In case of overflow and spillage of the cyanide solution, it will be deposited in the emergency pool below it and simultaneously evacuated through the pipe to the general emergency pool, located at the bottom of the Process Plant.

The procedure *P-SOT-PLT-019.01 Power Outages* address in case of overflow and spillage of the cyanide and/or pulp solution, it shall be deposited in the emergency pool below it and evacuated through the pipe to the general emergency pool, located at the bottom of the Process Plant.

All cyanide process tanks at Sotrami have reinforced concrete secondary containment.

All cyanide pipelines at Sotrami are located within a secondary containment provided for at the process plant. Only the pipeline only the pipe for discharge of carbon and pulp is outside the containment area.

On the occasion of the audit visit to the site, the auditor noted that this pipeline was without secondary containment, on natural soil, so it was observed as an audit finding. Later, Sotrami built an impermeable trench containing this pipe, so the find was closed, without requiring any additional action to follow the requirements of the Code.

Cyanide pipelines are inspected daily as part of the routine inspections by plant personnel. At the process plant any spill would fall into the secondary containment and subsequently flow over concrete surfacing into the secondary containment. Any liquid would be directed back into the system

There is no surface water in the surroundings of Sotrami's process plant. The environmental characteristics of the area involve predominantly arid areas. No cyanide pipelines present a direct risk to surface water. All facilities are far away from areas that may require special protection.

All cyanide mixing and process tanks are constructed of carbon steel; solution pipelines are constructed of steel or HDPE, which is compatible with high pH cyanide solutions.

During the plant visit, it was observed that a few pipeline fittings made of galvanized iron were used for cyanide addition pipeline. No information was available no demonstrate this material was compatible with cyanide solutions and high pH. Subsequent to the field visit and during preparation of this report, Sotrami provided photographic evidences demonstrating that these conditions have been corrected in a timely manner and replaced by stainless steel and HDPE materials. It is the auditor's judgement that this condition does not represent a significant risk to the environment or the health and safety of the workforce.

Standard of 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 Standard of Practice 4.8
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Quality control/quality assurance (QA/QC) programs were not formerly implemented during construction of the cyanide facilities. The cyanide facilities at Sotrami, as defined by the Code are all located at the process plant within the secondary containment: the cyanide mixing tank, the mills, cyanide tanks and piping containing process solution, equipment and installations used to prevent, control and minimize the risk of a cyanide release.

Although formerly QA/QC programs have not been implemented during construction and installation of the mills and equipment, reagent-strength cyanide tanks, and the concrete containments, supports and piping related to these facilities, Sotrami achieved the approval of the jurisdiction authorities for the facility's to operate which implies that QA/QC activities were conducted. Site personnel present during facility construction stated that QA/QC programs were followed.

The auditor reviewed the design drawings performed, signed and stamped by Sotrami's Planning Department certified professional engineers, dated February 2108.

The facilities were constructed by *Grupo e Inversiones W&R S.A.C. (W&R)*, a formal contractor who performed and executed the engineering works, construction and assembly of the plant, including the unloading, storing and mixing cyanide facilities. The auditor reviewed a Construction Certification Letter provided by W&R from February 12, 2109 confirming the plant was commissioned and all systems were functioning within the intent of the design and that all equipment and facilities for unloading, mixing and storage of cyanide have been designed and manufactured according to assumptions, parameters and engineering practices accepted for this type of facility.

Sotrami's facilities for unloading, storing and mixing cyanide have been professionally designed and constructed according accepted engineering practices.

Sotrami provided overall direction and approvals for the construction with project management and procurement.

In absence of quality control and quality assurance programs, the suitability of materials and adequacy of soil compaction for earthworks such as tank foundations and earthen liners, the installation of synthetic membrane liners used in ponds and for construction of cyanide storage and process tanks, was endorsed by the letter from W&R, dated February 12, 2019.

Although Sotrami has no records of QA/QC records, the operation's cyanide facilities were evaluated by appropriately qualified person, such as professional engineers, to determine if they can safely operate according to their existing infrastructure. The auditor reviewed the design

drawings performed, signed and stamped by certified professional engineers of Sotrami's Planning Department, dated February 2018. Also reviewed records of the review and approval of design and construction documents by regulatory agencies.

Sotrami's process plant and tailing impoundment facilities were constructed W&R, a formal contractor who performed and executed the engineering works, construction and assembly of the plant, including the unloading, storing and mixing cyanide facilities.

Appropriately qualified personnel reviewed cyanide facility construction and provided documentation that the facility has been built as proposed and approved. Construction records include a sign-off by the construction engineer that the facilities have been built as shown in the design drawings.

The letter from W&R dated February 12, 2019 confirms the plant was commissioned and all systems were functioning within the intent of the design and that all equipment and facilities for unloading, mixing and storage of cyanide have been designed and manufactured according to assumptions, parameters and engineering practices accepted for this type of facility.

Standard of Practice 4.9

Implement monitoring programs to evaluate the effects of cyanide use on wildlife, surface and ground water quality.

The operation is:

- in full compliance** with Standard of Practice 4.9
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sotrami has developed the following written standard procedures for monitoring activities related to surface water and environmental monitoring: P-SOT-MA 001 Sampling in Surface Water and P-SOT-MA 019 Environmental Monitoring. In addition, Chapter X of the Environmental Management Plan is dedicated to monitoring activities.

Sampling and analytical protocols have been developed by appropriately qualified personnel. The Environmental Impact Assessment (EIA) study set the guidelines for environmental monitoring. This EIA study was performed by COMPUMET EIRL, Peruvian Company of Ecological and Technical Mining Use, registered in the General Direction of Mining Environmental Affairs of the Peruvian Ministry of Energy and Mines. Sampling points were located by Sotrami environmental professionals in coordination with personnel of ENVIROTEST S.A.C., an accredited laboratory, according to its sampling protocols.

The standard procedures for monitoring activities related to surface water and environmental monitoring and laboratory samplings protocols include how and where the samples should be taken, preservation techniques, equipment calibration, quality control, chain of custody procedures, shipping instructions, and cyanide species to be analyzed.

Sampling conditions as weather, livestock/wildlife activity, anthropogenic influences, etc. and procedures are documented in writing. Sotrami field data sheets for monitoring activities record in writing the weather conditions, ambient temperature, field parameters (i.e., conductivity, pH, temperature), groundwater levels and quantity of water to purge. Completed monitoring field forms were reviewed by the auditor and verified that these conditions are being registered.

The operation monitor for cyanide in discharges of process water to the tailings pond and ground water down gradient of the site. Sotrami does not have discharges of process water to surface water from cyanide facilities as of now. The operation has a piezometer to monitor ground water down gradient of the which always is dry, according to the monitoring records reviewed. As stated before, groundwater level in the area is estimated to be at a depth of approximately 120 to 130 meters.

Sotrami performs weekly inspections to the tailings dam and no wildlife mortality was found. The operation stated they have been successful at preventing wildlife mortalities related to cyanide facilities in the last year. The auditor observed the tailings dam inspections form do not include an item for wildlife mortality. Sotrami was asked to report wildlife mortality whether it happens or not. After the audit Sotrami sent an inspection form for the tailings storage facility (TSF) where wildlife mortality check was included.

Sotrami monitoring procedures include frequencies for samples conducted at frequencies adequate to characterize the medium being monitored and to identify changes in a timely manner. The frequencies of the monitoring activities were deemed to be appropriate by the auditor.

Principle 5, Decommissioning

Protect communities and the environment from cyanide through development and implementation of decommissioning plans for cyanide facilities.

Standard of Practice 5.1

Plan and implement procedures for effective decommissioning of cyanide facilities to protect human health, wildlife and livestock.

The operation is:

- in full compliance
- in substantial compliance** with Standard of Practice 5.1
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

During the audit Sotrami did not showed written procedures to decommission cyanide facilities at the cessation of operations. Sotrami has developed the procedure *PETS-SOT-PLT-40.01 Dismantling Procedure Inventory of All Hazardous Chemical Equipment and Materials Used*, which in opinion of the auditor is an instructive regarding the H&S precautions for this activity. The auditor needs to confirm that the operation has a decommissioning plan.

Decommissioning activities should include all the necessary steps to bring the facility's components to a safe, chemically stable condition, such that they do not present a risk to people, wildlife or the

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environment due to their cyanide content. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

The operation needs to develop and implement a schedule for decommissioning activities. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

Sotrami needs to develop a decommission plan and review it as needed. The Corrective Action Plan (CAP) to bring this audit finding into full compliance is attached to this Summary Audit Report. Refer to question 5.1(1) of the CAP.

Standard of Practice 5.2

Establish an assurance mechanism capable of fully funding cyanide-related decommissioning activities.

The operation is:

- in full compliance
- in substantial compliance** with Standard of Practice 5.2
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sotrami showed an estimate of the cost to fully fund third party implementation of the process plant including cyanide-related decommissioning measures, although not having a closure plan. The estimate is the cost for a third-party contractor to mobilize, conduct the closure activities, and demobilize from the site.

The cost estimate was prepared by the outside contractor *Asesores y Consultores Mineros S.A. (ACOMISA)* with current market prices in 2019. The cost estimate include line items for site decommissioning and corresponding cost estimates including adequate funds for cyanide-related decommissioning activities.

The cost estimate has not yet been subject to revisions as it was recently drafted.

Although Sotrami presented to the auditor the positive financial statements including the estimated costs for the closing of its operations, made by a formal accounting audit company, the operation has not provided proof of having established a financial mechanism approved by the applicable jurisdiction to cover the estimated costs for cyanide-related decommissioning activities. The Peruvian political jurisdiction in which Sotrami operation is located requires financial assurance for closure.

It is required the necessary evidence from the applicable jurisdiction documenting that the operation has met its requirements for financial assurance in an amount no less than the operation's estimate of third-party decommissioning costs. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

Principle 6, Worker Safety

Protect workers' health and safety from exposure to cyanide.

Standard of Practice 6.1

Identify potential cyanide exposure scenarios and take measures as necessary to eliminate, reduce and control them.

The operation is:

- in full compliance
- in substantial compliance** with Standard of Practice 6.1
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sotrami has developed written Standard Operation Procedures (SOPs) and plans for the cyanidation operation including unloading, storage and mixing facilities, leach plant, tailing impoundment, among others. The procedures are operational and describe safe practices. The level of detail in these procedures are commensurate with the risks involved with the task.

Although the reviewed procedures in general met the Code requirements, some needed to consider additional statements or to be more specific as required by the Code enable a safe operation. After the audit, Sotrami sent the auditor new versions of the procedures incorporating all additional considerations required. No additional action was required.

The procedures require the use of personal protective equipment (PPE) as appropriate and necessary for the operation. The use of PPEs is addressed in SOPs, safety training programs and signs posted in specific work areas.

The SOP forms include, the PPE required, tools and specialized PPE required, consideration of safety and potential physical and chemical hazards associated with the job and procedure. In addition to the use of general PPE, such as hard-hat, steel toes shoes, hearing protection and safety glasses throughout the production area, areas and/or tasks where personnel may come into contact with cyanide have additional PPE requirements.

During the audit no pre-work inspections for cyanide risk tasks were evident to be conducted. As an audit finding the operation was asked to conduct pre-work inspections, as appropriate and necessary for the operation. Pre-work inspections should be documented and are typically focused on safety and operational issues. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

Sotrami has developed the procedure P-SOT-PLT-023.01 Change Management to identify when changes in a site's processes or operating practices may increase the potential for the release of cyanide and to incorporate the necessary release prevention measures. Although the procedure last version is from September 10, 2018, no examples of its implementation in the mining operation were found. The Corrective Action Plan to bring this audit finding into full compliance is referred to question 4.1(4) and is attached to the Summary Audit Report.

Sotrami considers worker input into the development of health and safety procedures through various mechanisms. Workers have direct communication between supervisors and operators during daily toolbox meetings. The mine also receives and considers the opinion of its workers through an employee suggestion mailbox, where employees submit by mean of a drop box located in the process plant. Health and safety matters are also discussed in daily shift meetings and regular health and safety management meetings.

Standard of Practice 6.2

Operate and monitor cyanide facilities to protect worker health and safety and periodically evaluate the effectiveness of health and safety measures.

The operation is:

- in full compliance** with Standard of Practice 6.2
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sotrami has determined the appropriate pH for limiting the generation of HCN gas during cyanide mix and production activities. The operational procedures P-SOT-PLT-08.01 Preparation in the Sodium Cyanide Tank requires pH greater than 10 in the cyanide mixing tank; P-SOT-PLT-10.01 Milling and Classification Operation requires a minimum pH of 12 and P-SOT-PLT-012.01 Titration and requires a minimum pH of 11 in the process solution.

Observation of the cyanide mixing procedure confirmed that the mix tank pH was checked prior to addition of sodium cyanide briquettes in accordance with SOP P-SOT-PLT-08.01 Preparation in the Sodium Cyanide Tank.

The operation uses personal monitoring devices to confirm that controls are adequate to limit worker exposure to hydrogen cyanide gas and sodium cyanide dust to 10 parts per million on an instantaneous basis and 4.7 parts per million continuously over an 8-hour period.

Standard operating procedures requires that in the event HCN gas levels trigger an alarm at 4.7 ppm, workers should stop the work and stay apart. In the event that HCN gas levels trigger an alarm at 10 ppm, all workers must evacuate the area.

Sotrami has identified the areas where workers may be exposed to cyanide more than 10 parts per million on an instantaneous basis and 4.7 parts per million continuously over an 8-hour period. Working and operational areas where potential for worker exposure to cyanide are identified and monitored with portable HCN gas monitoring units.

Hydrogen cyanide monitoring equipment are maintained, tested and calibrated as directed by the manufacturer. As the HCN detectors are relatively new, records of the first calibration performed on April 16, 2018 were available. Records are retained. A contractor is responsible for the calibration of HCN monitors.

Warning signs are posted in all areas where cyanide is present advising workers that cyanide is present and that smoking, open flames and eating and drinking are not allowed, and that, if necessary, suitable

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personal protective equipment must be worn. The signs are in Spanish, which is the language of the workforce. The PPE requirements are also posted in each area. Verification was through visual inspection of the signs located in areas where cyanide solution is prepared and used.

Sotrami is not using colorant dye on high strength cyanide solutions yet. This new requirement of the Code, which will be auditable starting July 1st, 2019, was communicated to the site during the audit. Sotrami indicated their willingness to implement this requirement promptly as they recognized it would be beneficial for the operation.

Sotrami has installed 4 showers eye wash station and a series of fire extinguishers at strategic locations throughout the operation in all areas where there is a potential for exposure to cyanide.

The auditor checked all showers and eyewashes during the site tour to verify functionality and observed that two of the eye wash stations had excessive water pressure had. In addition to fix this, the auditor required Sotrami to review its inspection checklist for these items sin order to include a field where water pressure is checked. Soon after the audit Sotrami correct this issue and no additional action was required.

Fire extinguishers are inspected and tested monthly. The auditor randomly checked fire extinguishers to confirm they are an acceptable type for use with cyanide. All extinguishers observed were fitted with inspection tags, which documented monthly inspection checks.

In occasion of the audit Sotrami was working to complete the identification of all tanks and pipes that contain cyanide solution to alert workers of their contents. Pipes containing cyanide were being marked as containing cyanide solution and flow direction indicated. Cyanide storage and process tanks are marked as containing cyanide. Verification was by visual inspection.

Sotrami has available Safety Data Sheets (SDS) and first aids procedures in areas where cyanide is managed. All information relating to cyanide management including SDS information, SOPS and emergency response plans are provided in Spanish, the workforce language at the site. Employees receive training on the use and interpretation of SDS.

Sotrami has developed and implemented a procedure to investigate and evaluate incidents including cyanide exposure incidents to determine if the operation's programs and procedures to protect worker health and safety, and to respond to cyanide exposures, are adequate or need revising

The procedure documents the requirements for incident reporting and investigation to determine the basic causes of the incident, provide remedial action and medical attention and ensure that a similar incident does not reoccur.

Incidents, occupational injuries, occurrences of property damage, loss to process and near misses are reported. Reporting is required immediately on occurrence to a supervisor who is then required to complete a written report by shift end. The incident report is assessed further at incident report meetings.

All incidents are investigated in accordance with mine's guideline with root cause analyses completed. Incidents are retained on the database for categorization and aid in prevention of reoccurrence. The system is used to record health and safety related incidents only. There have been no health or safety cyanide related incidents reported during the period of 3 months reviewed.

Standard of Practice 6.3

Develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

The operation is:

- in full compliance
- ✓ **in substantial compliance** with Standard of Practice 6.3
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sotrami has made available antidote kits, water, oxygen, resuscitators, radios, telephones, and alarms in the process plant and clinic. Oxygen bottles, resuscitators, first aid kits and self-breathing apparatus are located in the medical room at the process plant. The location of the emergency equipment was deemed to be appropriate for the operation.

Operators are required to carry a radio while performing their tasks. They also have push buttons alarm that activates a siren. Verification was conducted by visual inspection of the cyanide antidote kits and interviews.

Cyanide antidote kits consisting of amyl nitrite ampoules with expiry date information are located within a refrigerator to ensure that the ampoules are stored within the regulated temperature range as required by the manufacturer.

Verification was by visual examination and interview with process personnel and onsite doctor. Medical oxygen is available in the medical room and at the ambulance. Sodium thiosulfate and 3% sodium nitrite kits is available in the first aid room. Oxygen resuscitator and trauma kits are kept within the medical room and in the ambulance. Showers and eye-wash stations are located at strategic areas of the plant where cyanide and other chemicals are used.

The operation inspects its first aid equipment regularly to ensure that it is available when needed, materials such as cyanide antidotes are stored as directed by their manufacturer and will be replaced on a schedule to ensure that they will be effective when needed. The auditor reviewed inspection records to its first aid team covering the last 3 months.

First aid equipment is monthly checked by Health, Safety and Environmental (HSE) officers and biweekly by medical personnel, as per interviews with Sotrami personnel. This includes inspections of cyanide antidote kits, emergency shower and low-pressure eyes wash stations, and medical items.

The operation has developed a specific written emergency response plan (ERP) to respond to cyanide exposures: *PEM- SOT-PLT-01.01 Emergency Plan for Use, Handling, Storage, Sodium Cyanide Management and Hazardous Waste Disposal* dated from October 2108

Sotrami ERP is specific to their operations. The ERP includes communication roles and responsibilities, evacuation procedures, required notifications, reporting procedures, incident categories and risk assessment. The ERP specifically address emergency response procedures related to cyanide releases and cyanide exposures.

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The operation has its own on-site capability to provide first aid and medical assistance to workers exposed to cyanide. At the process plant Sotrami has one paramedic available 24 hours. At the mine site the operation has a Type 2 ambulance, a doctor and a paramedic 24 hours available.

The mine has first aid room equipped with cyanide antidote kits, oxygen, first aid kit and a resuscitator (defibrillator). Has an ambulance service ready to provide basic Life Support Service.

The operation describes in the ERP the procedure to transport workers exposed to cyanide to locally available qualified off-site medical facilities. If a cyanide exposure victim requires medical attention beyond the capabilities of the on-site medical facilities, the ambulance maintained at the site will transport the victim(s) to Nazca, at 2 hours' drive from the process plant, or Ica at 3 hours drive.

Sotrami has a dedicated ambulance operated by members of the Emergency Response Team (ERT) and in the event of an emergency will act to stabilize the scene, perform rescue, recover and stabilize the patient and, with the presence of the paramedic, will transport the patient to Nazca or Ica.

The auditor did not find evidence Sotrami has any formalized arrangements with local hospitals so that these providers are aware of the potential need to treat patients for cyanide exposure. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

Sotrami conducted a cyanide related mock drill on November 17, 2018 to test response procedures for cyanide exposure scenarios. Verification was through photos of the mock drill performed. In occasion of the audit, the operation had not finished the drill report.

Sotrami is requested to conduct a new emergency mock drill cyanide related, documenting and evaluating the drill to determine how well its procedures. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report under requirement for question 7.6(2).

Principle 7, Emergency Response

Protect communities and the environment through the development of emergency response strategies and capabilities.

Standard of Practice 7.1

Prepare detailed emergency response plans for potential cyanide releases.

The operation is:

- in full compliance** with Standard of Practice 7.1
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

The operation has developed a specific written emergency response plan (ERP) to respond to cyanide exposures: *PEM- SOT-PLT-01.01 Emergency Plan for Use, Handling, Storage, Sodium Cyanide Management and Hazardous Waste Disposal* dated from October 2108

Sotrami an ERP specific to their operations. The ERP includes communication roles and responsibilities, evacuation procedures, required notifications, reporting procedures, incident categories and risk assessment. The ERP specifically address emergency response procedures related to cyanide releases and cyanide exposures.

The ERP considers different scenarios appropriate to the site-specific circumstances and includes procedures to respond to emergency incidents including cyanide releases. Emergency scenarios considered include releases during loading/unloading, releases during fires and explosions; pipe, valve and tank ruptures; power outages and pump failures; failure of cyanide treatment, destruction or recovery systems; and failure of tailings impoundments. The ERP includes response descriptions for catastrophic hydrogen cyanide leaks from storage facilities and accidents during transport.

Planning for response to transportation-related emergencies considers transportation route, physical and chemical form of the cyanide, truck transportation, the condition of the road and the design of the transport vehicle. The cyanide carrier contingency plan from Lima to the mining unit has been included in the ERP. Sotrami receives the GPS communication from the carrier about the exact location and location of the cyanide transport along the route from Lima until its arrival at the mine, on each cyanide shipment. The auditor reviewed the carrier notification emails.

The Plan describe specific response actions (as appropriate for the anticipated emergency situations) such as clearing site personnel and potentially affected communities from the area of exposure, use of cyanide antidotes and first aid measures for cyanide exposure, control of releases at their source, and containment, assessment, mitigation and future prevention of releases.

The ERP describe specific response actions. In the event of an emergency involving cyanide release, the ERP provides for specific actions to be undertaken in the event of a release scenario. Initial response and communication procedures are provided in the ERP. Roles, duties and responsibilities are detailed in the ERP.

Standard of Practice 7.2

Involve site personnel and stakeholders in the planning process.

The operation is:

- in full compliance
- ✓ **in substantial compliance** with Standard of Practice 7.2
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

The operation has involved its workforce and stakeholders in the cyanide emergency response planning process. Among the mechanisms used by Sotrami to obtain input from his workers, including emergency response, are the daily pre-work meetings, the monthly meetings with the H&S Committee and the H&S meetings with contractors. Monthly meetings are also scheduled to discuss any topic related to health and safety issues, including changes to the ERP. By interviews with site personnel the auditor confirmed workers have the opportunity to confirm the operation involved its workforce in the cyanide emergency response process.

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Regarding off-site stakeholders, Sotrami states in its ERP, that only his own trained personnel will participate in an emergency response: Crisis Committee, coordinators and brigades, who respond to emergencies at the Plant. Sotrami stated as Jaqui is 20 km from the cyanidation plant, it is unlikely that its minimal medical or police can have an immediate response or participation in the contingency response plan. They are not included in the company's PRE.

Sotrami, however, maintains communication with the Jaqui police to grant that in case the emergency is catastrophic, they must provide some kind of isolation of the third parties to the emergency zone. In the same way, the Nazca fire department with which Minera Sotrami has an agreement whereby they train the company's personnel for emergency response (firefighting), first aid, transfer of injured people, rescue work in height and confined places, handling of hazardous materials), are communicated with the mining company. The fire department of Nazca (4 hours from the mining unit) is the closest fire company to the mine. Sotrami has a training agreement for its emergency response brigades with the Nazca fire department.

Sotrami has not made potentially affected community of Jaqui aware of the nature of their risks associated with accidental cyanide releases and consulted with them directly or through community representatives regarding appropriate communications and response actions. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

The operation states in the ERP that any emergency in the mine would be attended by their own trained personnel. They do not include in his emergency response planning to involve local response agencies such as fire fighters, the police, Civil Defense and medical centers as outside responders.

Regarding consultation with stakeholders to keep the ERP current, Sotrami states in its ERP, that only his own trained personnel will participate in an emergency response: Crisis Committee, coordinators and brigades, who respond to emergencies at the Plant. Sotrami has not provided records of having no responsibility is assigned to external responders.

Standard of Practice 7.3

Designate appropriate personnel and commit necessary equipment and resources for emergency response.

The operation is:

- in full compliance** with Standard of Practice 7.3
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

The ERP provides primary and alternate contact details for the emergency management team members, including the Plant Manager who has authority to ensure that sufficient and adequate resources are allocated to carry out the ERP.

Emergency Response Team (ERT) members are listed in the ERP and organized as ERT for spills, for first aids and evacuation, to transfer a patient to the medical center and for firefighting. The team members are indicated by name, position in their job and in the ERT, and shift. Contact telephone

numbers are also provided for ERT members, rescue coordinators and Kinross corporate contacts and members of the emergency management team.

The functions and responsibilities of the emergency coordinators are detailed in the ERP as well as the emergency response equipment lists including the locations of cyanide antidote kits.

The ERP has set out: training requirements for the ERT; the call-out procedures and 24-hour contact information for the coordinators and response team members; the procedures to inspect emergency response equipment to ensure its availability; and the role of outside responders is not defined in the ERP.

Regarding the role of outside responders, Sotrami clarified and modified the PRE stating that no responsibility is required or designated for external responders or the communities; they are not part of their planning to respond to emergencies due to its isolation. Although the mine is contact with the nearest fight fighters for training, they are at Nazca, a 4 hours' drive. On the other hand, police and authorities from Jaqui, a small hamlet 30 km apart from the Plant, are aware of Sotrami's activities as meeting minutes demonstrate.

Sotrami's ERP states that no responsibility is designated for external responders or the communities; they are not part of their planning to respond to emergencies due to its isolation. However, they maintain communication with the police of Jaqui to grant isolation of the area in case of emergency.

Standard of Practice 7.4

Develop procedures for internal and external emergency notification and reporting.

The operation is:

- in full compliance** with Standard of Practice 7.4
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

The Plan include procedures and contact information for notifying management, regulatory agencies, outside response providers and medical facilities of the cyanide emergency. It identifies the ERT members, and the team they belong to.

The Security Control Center maintains a detailed emergency contact list of all stakeholders. The Emergency response organization details the emergency response system organizational chart.

The ERP contains procedures for communication including emergency response contact information. In the event of an incident. Procedures for notifying outside agencies and the media are provided in the ERP.

Standard of Practice 7.5

Incorporate into response plans monitoring elements and remediation measures that account for the additional hazards of using cyanide treatment chemicals.

The operation is:

- in full compliance
- in substantial compliance** with Standard of Practice 7.5
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

The Emergency Response Plan do not describe specific remediation measures as appropriate for the likely cyanide release scenario. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

Remediation measures regarding drinking water supply it is not applicable to Sotrami operation as release from the operation would not adversely impact a drinking water supply. The plant is located in an arid area, underground water is around 120 m depth. Drinking water is trucked to the mine from an offsite facility. Bottled drinking water is available in break rooms and offices throughout the process plant.

Section 5.2.1 of the Emergency Response Plan prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat any cyanide that would have been released into surface water.

Although the ERP address in section 5.2.2 for spills out of the tailings dam, the potential need for environmental monitoring, it not does not include sampling methodologies, parameters and, where practical, possible sampling locations. Based on the potential release scenarios identified in its Emergency Response Plan, the operation should determine the sampling and analytical methodologies it will use if cyanide is released to the land surface or to surface water. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

Standard of Practice 7.6

Periodically evaluate response procedures and capabilities and revise them as needed.

The operation is:

- in full compliance** with Standard of Practice 7.6
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Section 12 of the ERP states the Plan to be reviewed and evaluated after any emergency or every 7 months. First version of the ERP is from was October 2018. After the audit Sotrami reviewed its ERP in July 2109.

Sotrami conducted a cyanide related mock drill on November 17, 2018 to test response procedures for cyanide exposure scenarios. Verification was through photos and the drill report of the mock drill performed. In occasion of the audit, the operation had not finished the drill report.

Another mock drill was performed on July 30, 2019 with twelve participants. It was a cyanide intoxication emergency while mixing sodium cyanide in the preparation tank. In circumstances that plant operator was pouring the second can of NaCN, accidentally the worker sneezed 3 times, what would cause the half-face occupational respirator he was wearing to move from his face, allowing it to be discovered and this will aspirate sodium cyanide product of the moisture that it generates during sneezing and under this moisture condition it will activate the cyanide and become intoxicated. The drill report was complete.

Section 12 of the ERP states the Plan to be reviewed and evaluated after any emergency or every 7 months. According to Sotrami, there has been no need to review the ERP after the drills, but on March 2019 the ERP was subject to a review and clarification to adequate it to the Code requirements.

Principle 8, Training

Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner.

Standard of Practice 8.1

Train workers to understand the hazards associated with cyanide use.

The operation is:

- in full compliance** with Standard of Practice 8.1
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

New workers at the mine receive orientation training in accordance local regulations.

Sotrami trains all personnel who may encounter cyanide in cyanide hazard recognition. New workers at the mine receive orientation training in accordance local regulations. The auditor reviewed the written training programs and training materials for 2018 and 2019, both including cyanide related training. By interviews, the auditor verified that personnel receive this training.

During the audit no training records were showed to the auditor. After the audit Sotrami sent proof they are providing all personnel who may encounter cyanide with training in recognizing the cyanide materials present at the operation, the health effects of cyanide, symptoms of cyanide exposure, and procedures to follow in the event of exposure. Employee training records must be available.

Sotrami provides refresher training in cyanide hazard recognition. Annually refresher training records were provided to the auditor, covering years 2018 and 2019. Sotrami retains its cyanide training records.

Standard of Practice 8.2

Train appropriate personnel to operate the facility according to systems and procedures that protect human health, the community and the environment.

The operation is:

- ✓ **in full compliance** with Standard of Practice 8.2
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

New workers at the mine receive training to perform their normal production tasks in accordance local regulations, which include SOPs for cyanide management. Verification was by interviews with field personnel engaged in cyanide management activities and review of the operation's training materials.

The training elements necessary for each job involving cyanide management are identified in its written training program for 2019 as the Standard Operation Procedures. There is an identification list of the important elements that must be conveyed to a new employee regarding how various cyanide-related tasks must be performed.

Appropriately qualified personnel provide task training related to cyanide management activities. Training on specific tasks is provided by the plant supervisors. These are considered qualified to provide training based on experience. This requirement was verified by interviews with plant supervisors to determine their level of expertise in operating the facilities and in training.

According also to local regulations, all employees receive their task training before being allowed to work with cyanide in an unsupervised manner. This is a standard practice, but as it was not found included in a policy or procedural document, verification was by interview with field and supervisory personnel.

By interviews with supervisory personnel, the auditor confirmed that refresher training on cyanide management is provided to ensure that employees continue to perform their jobs in a safe and environmentally manner. These are informal evaluations of how well employees perform their assigned tasks.

Also, by interviews, the auditor confirmed that the operation evaluates the effectiveness of cyanide training by observation of the supervisor. These are informal evaluations of how well employees perform their assigned tasks.

Sotrami sent pictures showing files of individual employment documenting the training they receive. Records include the names of the employee and the trainer, the date of training, the topics covered, and if the employee demonstrated an understanding of the training materials.

Standard of 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 Standard of Practice 8.3
- in substantial compliance
- not in compliance

Discuss the basis for this Finding/Deficiencies Identified:

Sotrami trains all cyanide unloading, mixing, production and maintenance personnel in the procedures to be followed if cyanide is released.

Sotrami trains its workers that may be the first on the scene of a cyanide exposure, as unloading, mixing, production and maintenance workers, in cyanide decontamination and first aid procedures. During the mock drill from July 2019, these personnel of the day shift, participated actively during the emergency response exercise.

Sotrami showed records of training provided to designated responders in order to be familiar with their response roles as described in the Emergency Response Plan, as well as with the use of the necessary response equipment.

In Sotrami's ERP, no responsibility is assigned to outside responders during an emergency, therefore they have not made off-site emergency responders, familiar with those elements of the Emergency Response Plan related to cyanide.

Sotrami provides refresher training for response to cyanide exposures and releases, as the auditor concluded after reviewing its training records.

Sotrami conducted a cyanide related mock drill on November 17, 2018 and other in July 2019 to test response procedures for cyanide exposure scenarios. Verification was through photos and reports of the mock drills performed.

Sotrami evaluates its cyanide emergency drills from a training perspective to determine if personnel have the knowledge and skills required for effective response. If deficiencies are identified training procedures should be revised. The operation's documentation of the drills addresses whether response personnel had the proper training to carry out the response according to the Emergency Response Plan or other applicable procedures, or whether additional or revised training is needed.

Records documenting the cyanide training are retained, including the names of the employee and the trainer, the date of training, the topics covered, and how the employee demonstrated an understanding of the training materials. The auditor reviewed records documenting training in HAZMAT, first aids and cyanide related topics.

Principle 9, Dialogue

Engage in public consultation and disclosure.

Standard of Practice 9.1

Provide stakeholders the opportunity to communicate issues of concern.

The operation is:

- in full compliance** with Standard of Practice 9.1
- in substantial compliance
- not in compliance

Describe the basis for the Finding/Deficiencies Identified:

At the occasion of the audit, Sotrami informed they were beginning with a program to install mailboxes in the nearby communities of Santa Filomena at the mine site and at Jaqui. The auditor saw a mailbox installed in the outer side at the gate of the process plant and other mailbox installed inside the plant, at the truck scale, to provide the opportunity for stakeholders and workers to communicate issues of concern regarding the management of cyanide.

Opportunities for public input was also available during the development and review of the environmental assessments, reviews of permits and licenses required by applicable jurisdictions.

Standard of Practice 9.2

Initiate dialogue describing cyanide management procedures and responsively address identified concerns.

The operation is:

- in full compliance
- in substantial compliance** with Standard of Practice 9.2
- not in compliance

Describe the basis for the Finding/Deficiencies Identified:

Sotrami did not show proof of opportunities for the operation to interact with stakeholders and provide them with information regarding cyanide management practices and procedures.

The operation is required to create opportunities for interaction with stakeholders. This could include hosting public meetings for local communities or community leaders, creating citizens' advisory panels, advertising the availability of site tours for interested parties and addressing cyanide management during the tour, and distributing newsletters or prepared briefing papers on its cyanide management practices. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

Standard of Practice 9.3

Make appropriate operational and environmental information regarding cyanide available to stakeholders.

The operation is:

- in full compliance
- in substantial compliance** with Standard of Practice 9.3
- not in compliance

Describe the basis for the Finding/Deficiencies Identified:

The auditor did not find written descriptions developed by Sotrami on how their activities are conducted and how cyanide is managed. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

According to the National Institute of Statistics (INEI), the illiteracy rate in Ayacucho was 11.7% in 2017. The auditor using his professional judgment considers it is necessary Sotrami to disseminate verbal information on cyanide. The Corrective Action Plan to bring this audit finding into full compliance is attached to the Summary Audit Report.

The operation has not make information publicly available on the following as no cyanide release or exposure incidents occurred to date, as Sotrami H&S Manager stated: cyanide exposures or incidents resulting in hospitalization or fatality; cyanide releases off the mine site requiring response or remediation; cyanide releases on or off the mine site resulting in significant adverse effects to the environment; cyanide releases on or off the mine site requiring reporting under applicable regulations; or releases that cause applicable limits for cyanide to be exceeded.