

SUMMARY AUDIT REPORT



***Gold Mining Operations
Summary Audit Report***

for

Minera Florida Ltda/

Yamana Gold Group.

2010 / 2011

SUMMARY AUDIT REPORT

SUMMARY AUDIT REPORT FOR GOLD MINING OPERATIONS

Instructions

1. The basis for the finding and/or statement of deficiencies for each Standard of Practice should be summarized in this Summary Audit Report. This should be done in a few sentences or a paragraph.
2. The name of the mine operation, lead auditor signature and date of the audit must be inserted on the bottom of each page of this Summary Audit Report. The lead auditor's signature at the bottom of the attestation on page 3 must be certified by notarization or equivalent.
3. An operation that is in substantial compliance must submit a Corrective Action Plan with the Summary Audit Report.
4. The Summary Audit Report and Corrective Action Plan, if appropriate, with all required signatures must be submitted in hard copy to:

International Cyanide Management Institute (ICMI)
888 16th Street, NW, Suite 303.
Washington, DC 20006, USA.

5. The submittal must be accompanied with 1) a letter from the owner or authorized representative which grants the ICMI permission to post the Summary Audit Report on the Code Website, and 2) a completed Auditor Credentials Form. The letter and lead auditor's signature on the Auditor Credentials Form must be certified by notarization or equivalent.
6. Action will not be taken on certification based on the Summary Audit Report until the application form for a Code signatory and the required fees are received by ICMI from the applicable gold mining company.
7. The description of the operations should include sufficient information to describe the scope and complexity of the gold mining operation and gold recovery process.

Minera Florida
Name of Mine


Signature of Lead Auditor

23/03/2011
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Name of Mine: Minera Florida Ltda.
Name of Mine Owner: Yamana Gold Inc.
Name of Mine Operator: Minera Florida Ltda.
Name of Responsible Manager: Alejandro Gordón Farfan
Address: Villa San Jeronimo de Alhué, Santiago, Chile.
State/Province: Santiago Country: Chile
Telephone: +56 2 51 96 400
Fax: +56 2 51 96 601
E-Mail: alejandro.gordon@yamana.com

Location detail and description of operation:

Minera Florida Ltda. is an underground mine operation and process plant, located at Villa San Jeronimo de Alhué, a small town situated 150 km south of Santiago de Chile. The access to the operation is made through asphalted road. The operation is focused in the production of gold and silver (metallic bullion) and zinc concentrate. Basically, the operation main processes are:

Concentrate Leaching Plant (PLC):

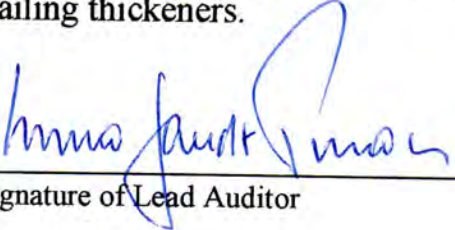
The concentrate Leaching Plant is fed by concentrate coming from the Bulk Flotation Plant contained in the concentrate thickeners. The pulp from the under of the thickeners, has a density of 1.5 g/cm³ (45 - 50 % Solids) feeds a conditioner tank of 20 m³ capacity, where the NaCN is added, The pH is regulated by this reagent or alternatively by NaOH (Caustic Soda).

Once conditioned, the pulp passes through 10 leaching tanks in series. The capacity of the first two tanks is of 100 m³ and the eight remaining of 50 m³.

Finally, a leached pulp is obtained and gets to the gravel thickeners where the overflow corresponds to a pregnant solution that is sent to the screening filters and the underflow of the thickeners is sent towards the Larox Filters

The filtration process of the leached tails is to put it to consecutive washing steps (three) so as to remove the cyanide and gold traces, where the washing solution is taken up to the tailing thickeners.

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On the other hand , the pregnant solution is pumped into the polishing filters , so it can later pass through a heat exchanger and two solution heaters in order to reach a temperature of 70°C. , and pump towards 5 electro wining cells in series.

Electro deposition of Pregnant Solution:

The pregnant solution is pumped to the second level of the Gold Room from its storage tank (03-TK-32 o 03-TK-33) by a centrifugal pump. This solution goes to the first five stainless steel electrolytic cells 304 with a polypropylene lining and a flow rate of 15 -18 m3/h.

The solution processing by electro deposition is of a single pass , therefore, the barren solution that comes out of the last electrolytic cell downloads into the recirculation box of barren solution , and from there it is pumped by a centrifugal pump towards the barren solution tank.

Barren Solution Treatment:

The Gold and Silver barren solution obtained after the electro deposition step , it is processed to destroy the remaining cyanide. In this process values lower than 4 ppm of CN WAD and 4 ppm of total CN, are obtained.

The solution already processed is used as processing water, which is sent to one of the Australian tanks of 195 M3 that receives 380 M3/hr of treated barren solution which supplies the water requirements of the milling.

The barren solution will be treated through the INCO SO₂/air process. This process oxides both the free cyanide (CN⁻) and the cyanide weakly complex with metals such as copper, zinc and cyanide nickel (CNO).

This reaction requires dissolved copper as a catalyst. In the operation case, the cyanide process provides enough soluble copper in the barren solution., like a copper cyanide complex. The theoretical requirement of SO₂, according to the previous reaction is 2.46 by weight per part of cyanide.

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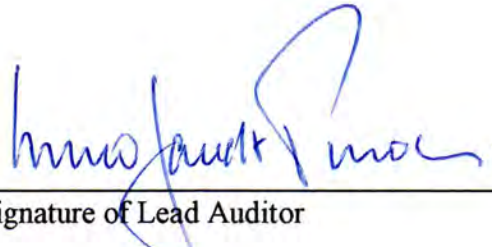
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The best pH range for the cyanide destruction is 8,5 to 9,0. The addition of S02 lowers the pH that brings the solution from the electro deposit process and it is adjusted to the required value by adding sodium hydroxide.

The oxygen for the reaction is supplied by air low pressure air that is injected into the bottom of the reactor.

The operation of the INCO process in this Plant has been designed to operate continuously.

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Auditor's Finding

This operation is:

- in full compliance
 in substantial compliance *(see below)
 not in compliance

with the International Cyanide Management Code.

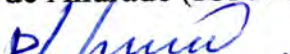
- * The Corrective Action Plan to bring an operation in substantial compliance into full compliance must be enclosed with this Summary Audit Report. The plan must be fully implemented within one year of the date of this audit.

Audit Company: NOSA Certification Authority Brasil Ltda.

Audit Team Leader: Celso Sandt Pessoa

E-mail: celsopessoa@ncabrasil.com.br (ICMI qualified lead auditor and TEA)


Names and Signatures of Other Auditors:

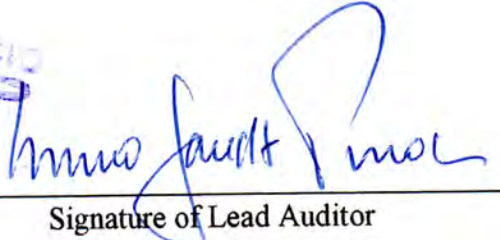
Eberson Cassio de Andrade (ICMI qualified lead auditor and TEA (mining operations)). 

Date(s) of Audit: 02 ~ 06/08/2010 (on-site), 27/09 ~ 01/10/2010 (on-site) and 26 ~ 28/01/2011 (off-site).

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.


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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
 in substantial compliance with Standard of Practice 1.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Reviewing the operation contract management procedures, it was evidenced that the requirements related to the acquisition of cyanide are clearly defined and it is mandatory that the cyanide be purchased from ICMI certified producers and transported by ICMI certified transporters. The operation did sign a contract (May 2010) with DuPont (ICMI certified producer, Memphis facility), related to the acquisition of solid sodium cyanide, that shall be delivered at the operation premises (CIF), by an ICMI certified transporter (Verasay Transportes Chile). The contract was reviewed during the audit, as well as the audit reports for Dupont Memphis ,DuPont USA supply chain, DuPont Chile supply chain and Verasay Transportes Chile. The origin of the cyanide was evidenced during the field audit, during the reception of the cyanide, where the cyanide containers and the documentation are fully traceable to DuPont Memphis, the cyanide producer. The operation does not acquire solid cyanide from distributors.

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
 in substantial compliance with Standard of Practice 2.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

It was evidenced, reviewing the contracts and agreements among the operation and the producer (DuPont Memphis) and the producer with the transporter (Verasay Transportes), that general and specific responsibilities are clearly addressed on both of them.

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The solid cyanide is transported into containers, specifically designed for this purpose, fully labeled according international and Chilean road transportation laws, and the necessary information in Spanish. The cyanide is transported through an asphalted route, previously selected, in common agreement, by the operation, the producer and the transporter. A risk assessment of the selected route was evidenced. The transportation route can not be changed without the authorization of the operation. The cyanide is transported straight from the Valparaiso port (Chile) to the operation, without any kind of interim storage.

The operation established a cyanide reception procedure, in order to verify the truck condition (and maintenance) and permits, the driver permits and qualifications, the emergency responses resources (including emergency contacts) and the cyanide documentation. This procedure was evidenced to be implemented during the field audit.

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
 in substantial compliance with Standard of Practice 2.2
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

As previously mentioned, the cyanide solution is transported into the operation by an ICMI certified transporter (Verasay Transportes), which has specific cyanide related emergency response plans. The solid cyanide is transported straight from the Valparaiso port to the operation, without any interim storage or changing of transporter. The solid cyanide documentation is verified in reception control at the operation, and is fully traceable to the producer, evidencing that all transport supply chain (DuPont USA, DuPont Chile and Verasay) are ICMI certified according to the ICMI website information.

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, quality control/quality assurance procedures, spill prevention and spill containment measures.

The operation is in full compliance with
 in substantial compliance with Standard of Practice 3.1
 not in compliance with

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Summarize the basis for this Finding/Deficiencies Identified: (Due to the sensitivity of security issues regarding storage of cyanide, no descriptions of substantial or non-compliance with this aspect of the Standard of Practice should be provided.)

It was evidenced during the field audit that the operation constructed a brand new cyanide unloading area, which was constructed in accordance with the Chilean civil engineering requirements (as evidenced in the project documentation, the as built and quality assurance records). The cyanide unloading area was constructed in a restricted area, where only authorized and qualified personnel are allowed to go in, under roof, with a drainage system, on concreted floor. The warehouses are provided with HCN sensors. The unloading operation is performed by qualified operators. All the necessary safety procedures are documented in work instructions as well as the handling instructions. The operators have also portable HCN sensor, during the unloading activity. The unloading area is naturally ventilated and, in the event of any cyanide escape, the area is concreted and the recovering of the solid cyanide is easy.

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
 in substantial compliance with Standard of Practice 3.2
 not in compliance with

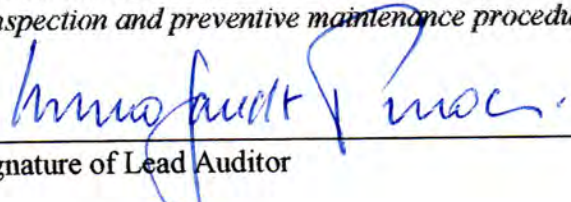
Summarize the basis for this Finding/Deficiencies Identified:

The operation uses solid sodium cyanide (briquettes) which is brought to the operation in containers, specifically designated for this purpose, which is returned to the cyanide producer (DuPont) just after the unloading activity is concluded, by the cyanide transporter (Verasay Transportes). Before departing the operation, the truck is verified to be in conformance, without any kind of leakage and completely empty. The unloading activity is performed in accordance with documented work instructions, specifically developed by the operation after identifying and evaluating the risks related to the activity. The risk evaluation of the activity is performed in a structured way. The unloading operators are trained and qualified to perform that activity. Records of such trainings as well as field interviews demonstrated that the operators are prepared to perform the unloading activity. The required PPEs (personal protective equipment) for the unloading activity are clearly defined in the work instructions and were evidenced to be used during the field audit. The unloading activity is monitored.

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 utilizing contingency planning and inspection and preventive maintenance procedures.

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The operation is in full compliance with
 in substantial compliance with Standard of Practice 4.1
 not in compliance with

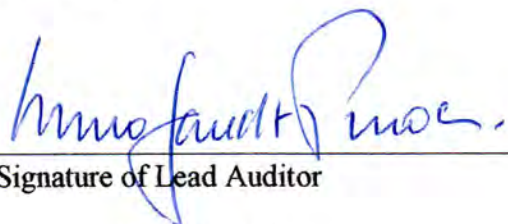
Summarize the basis for this Finding/Deficiencies Identified:

Verified procedures developed for cyanide facilities including unloading, mixing and storage facilities, leach plants operations. The following documents were verified and found in conformance with a safety operation: "Recepcion, Descarga y Almacenamiento de Cianuro-FPITHF-000013-3. "Preparacion de Cianuro de Sodio - FPITHF-0000003-2", "Control de variables de Operacion de lixiviacion - FPITHF-000008-2", "Operacion y control de variable del filtro Larox - FPITHF-0000007-2". The following documents identify the assumptions and parameters on which the facility design was based and any applicable regulatory requirements were verified: FPITHF-000008-3 "Control de Variables de Operación de Lixiviación" (this procedure consider the freeboard required for safe pond and impoundment operation;), The procedure FPITHG-000009-2 "Instructivo de Trabajo Control de Proceso INCO" item 3, defines the cyanide concentrations in tailings on which the facility's wildlife protection measures were based. This procedure is aligned with the Chilean environmental legislation for the "Decreto Supremo 90/2000". The auditor considers that the procedures in place are effective to prevent cyanide releases and exposures consistent with applicable requirements. The Minera Florida implement a cyanide management contingency procedure for situations when there is an upset in a facility's water balance, when inspections and monitoring identify a deviation from design or standard operating procedures, and/or when a temporary closure or cessation of operations may be necessary. Was verified some procedures as "Evacuación de Aguas Lluvias en Piscinas de Lixiviación - FPITHF-000009-2"; "Puesta en Servicio Planta Lixiviacion por corte de energia no programado - FPITHF-000005-2 y "Puesta en Servicio y detencion de Planta de Lixiviacion - FPITHF-000004-2", this procedure consider the temporary closure or cessation of operations. There are structured inspections in place , as well as preventive maintenance of the installations and equipments. Records of such inspections and maintenance activities are maintained by the operation, clearly addressing the responsible for the activity, the date, the results and any necessary correction. The plant also counts with an electricity backup system, which is regularly tested, in order to provide energy in any lack of electricity.

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
 in substantial compliance with Standard of Practice 4.2
 not in compliance with
 not subject to

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Summarize the basis for this Finding/Deficiencies Identified:

Minera Florida conducted a program to determine appropriate cyanide addition rates in the Mill and constantly control the cyanide additions by formal procedures, as "Control de Variables de Operación de Lixiviación".

Standard of Practice 4.3: *Implement a comprehensive water management program to protect against unintentional releases.*

The operation is in full compliance with
 in substantial compliance with Standard of Practice 4.3
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Minera Florida developed a comprehensive, probabilistic water balance that considers the rates at which tailing are deposited into the tailings dam.; the "Informe de Balance Hídrico Planta Alhué E223-INF-PR-001" and implement operating procedures that incorporate inspection and monitoring activities to implement the water balance and prevent overtopping of ponds and impoundments and unplanned discharge of cyanide solutions to the environment. Minera Florida measures precipitation and compares it with the assumptions in the water balance. The ponds and impoundments designed and operated with adequate freeboard above the maximum design storage capacity determined to be necessary from water balance calculations (were verified that item 3.2.2 and anexo C of the "Informe de Balance Hídrico Planta Alhué E223-INF-PR-001" consider the storm duration and interval return as 100 year, 24 hour event, and 50 year and 72 hour event. There are inspections in place to ensure the control of all parameters.

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

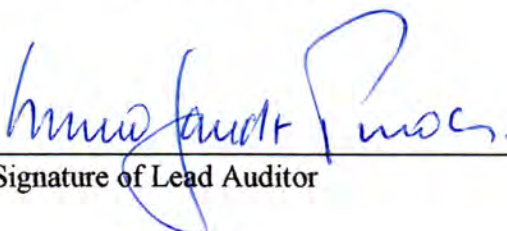
The operation is in full compliance with
 in substantial compliance with Standard of Practice 4.4
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Minera Florida do not present open water with WAD cyanide exceeding 50mg/l, according the monitoring audited. No special measure was implement to restrict access by wildlife. The records of monitoring presented demonstrate that the cyanide concentration in open water in TSFs does not exceed 50 mg/l WAD cyanide. There is no register of wildlife mortality.

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

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The operation is in full compliance with
 in substantial compliance with Standard of Practice 4.5
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Minera Florida does not have direct discharge to surface water. The records of monitoring show that the concentration of free cyanide is lower than 0.022 mg/l. Monitoring are performed by the external company "CIMM Tecnologia y Servicios S.A" certified Nch-ISO17025 of 2005, accreditation LE399. Minera Florida does not have a register of indirect discharge from the operation.

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
 in substantial compliance with Standard of Practice 4.6
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified

The monitoring conducted by "CIMM Tecnologia y Servicios S.A" (ej. R3-7501B) ensure that the WAD cyanide concentrations at or below levels established by legislation and the code. The secondary containment are covered by a HDPE, and all pipelines are within areas with secondary containment.

Standard of Practice 4.7: *Provide spill prevention or containment measures for process tanks and pipelines.*

The operation is in full compliance with
 in substantial compliance with Standard of Practice 4.7
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The cyanide unloading, storage, mixing and process solution tanks are spill prevention and containment measures provided, as secondary containment and impermeabilization. According the designs all cyanide unloading, storage, mixing and process tanks contain secondary containment sized to hold a volume greater than that of the largest tank within the containment and any piping draining back to the tank, and with additional capacity for the design storm event. As confirmed by water balance "Informe de Balance Hidrico Planta Alhué E223-INF-PR-001" item 5.2. Verified that all cyanide process solution pipelines are provided with spill prevention to collect leaks and prevent releases to the environment

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

Summarize the basis for this Finding/Deficiencies Identified:

Minera Florida conducted quality control and quality assurance programs for new and existing cyanide facilities and modifications. Records were observed: "Larox filter – 873-510-CI-07, 873-500-CI-10 leach facilities 875-500-CI-02, storage facilities LXV002-11, unload area LXV001-11, document "Recepcion Final 02/01 – Departamento Obra Civil" from the prefecture of Villa Alhué attesting that all the construction is aligned with all the Chilean rules related to the safe construction. Verified that Minera Florida developed a quality control and quality assurance programs addressed the suitability of materials and adequacy of soil compaction

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
 in substantial compliance with Standard of Practice 4.9
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

All monitoring activities are performed by a external company "CIMM Tecnologia y Servicios S.A" certified Nch-ISO17025 of 2005, accreditation LE399. there is a procedure in place that specifies how and where samples should be taken, describe the sample preservation techniques, describe the chain of custody and cyanide species to be analyzed. Minera Florida inspect for and record wildlife mortalities related to contact with and ingestion of cyanide solutions and until this time there is no register of mortality.

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 with
 in substantial compliance with Standard of Practice 5.1
 not in compliance with

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Summarize the basis for this Finding/Deficiencies Identified:

Minera Florida has developed written procedures, "Plan de Cierre Minera Florida Ltda – enero/2009" with an attached called "Adenda al Plan de Cierre Minera Florida" mayo/2010 to decommission cyanide facilities at the cessation of operations. The decommissioning procedure includes the decontamination of equipment, the removal of residual cyanide reagents and others activities related. The procedure to decommission cyanide facilities include a schedule in the item 4.4 of the "Adenda al Plan de Cierre Minera Florida" no item 4.4 for carrying out its proposed activities; this schedule show the order in which the planned activities will be conducted.

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

The operation is in full compliance with
 in substantial compliance with Standard of Practice 5.2
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

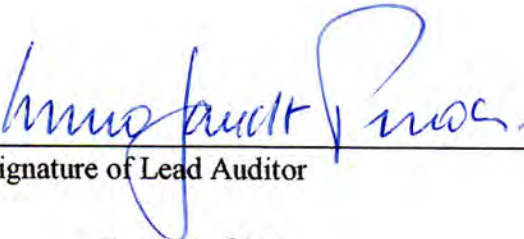
Minera Florida established self-guarantee as a financial assurance mechanism. Minera Florida contracted Delloite independent auditors. A statement from Daniel Joignant P. (Certified Public Accountant #23531), a qualified financial auditor, declared that Minera Florida has sufficient financial strength to fulfill this obligation. Financial audit methods were based on USA acceptable methods (GAAP/ FASB ASC 410-20 and FASB ST 143). The financial audit reports are available to the public at the Yamana's website. Minera Florida financial team, based on outside contractors quotation rates, has estimated the cost to fully fund third party implementation of cyanide-related decommissioning measures as identified in its site decommissioning. The "Calculation Depletion GEO ARO (Access Reclamation Obligation) Asset Q.2.xls" includes adequate funds for cyanide-related decommissioning activities.

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 or control them.*

The operation is in full compliance with
 in substantial compliance with Standard of Practice 6.1
 not in compliance with

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Summarize the basis for this Finding/Deficiencies Identified:

The operation identified and evaluated all the SHE risks associated with the cyanide and, in order to have the risks under control and mitigated, the operation defined, documented and implemented specific operational procedures for cyanide related activities. The risk identification and evaluation process is performed in a structured way and involves different stakeholders. The development of work instructions are performed in conjunction by these stakeholders (operators, supervisors, managers and SHE professionals). The required PPEs for each activity (unloading, leaching, maintenance, neutralization, confined spaces) are defined and addressed in the documented work instructions. In order to maintain the risk evaluation updated and, in consequence, the work instructions, the operations established a procedure to update them if any circumstance has changed or, at least, once a year. This procedure is part of the annual refreshing program for supervisors and operators.

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.*

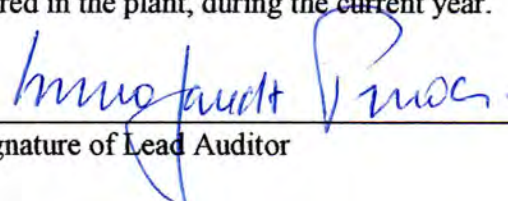
The operation is in full compliance with
 in substantial compliance with Standard of Practice 6.2
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation determined that the minimum pH value shall be equal or greater than 10,5. The pH is effectively controlled and monitored (through calibrated pHmeter) in the operation. Alarm systems are in place. Verified, during the field audit, that the usual pH value is around 12. The pH is controlled through the online addition of caustic soda. The operation has fixed calibrated HCN detectors in the tank leaching area and the operators also use portable calibrated HCN detectors. Both cases evidenced in the field audit. The fix and portable HCN detectors, are maintained and calibrated in accordance with a calibration management system. Reviewed calibration records of all HCN detectors. It was evidenced during the field audit, that the operation premises (cyanide circuit) and richly signed, including the prohibition of drinking, eating and smoking in these areas. Auxiliary emergency installations/ equipments such as eye-wash, showers, fire extinguishers, were evidenced in the operation premises. Some of these auxiliary installations were tested during the audit and worked well.

Also evidenced that that the operation implemented a fire extinguisher (CO2 and dry powder) management system, in order to maintain these auxiliary equipments under good operational condition. It was evidenced, during the field audit, that the operation installations (tanks, piping, valves, pumps) are in good shape, the tanks and piping are adequately painted and signed, the cyanide flow identified. Cyanide MSDS is also available (in Spanish) in the plant. It was evidenced that the operation has defined and implemented procedures to evaluate SHE incidents. Any cyanide related incident occurred in the plant, during the current year.

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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 with
 in substantial compliance with Standard of Practice 6.3
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation has developed emergency procedures for that activities at the leaching plant and has an emergency care center (with medical assistance 24h per day), fully equipped with a resuscitator , one ambulance, antidote kits, telephone, radio, oxygen cylinders. These facilities were evidenced in the field audit. All the first aid equipment are effectively inspected by the local nurses, including the ambulance. Evidenced the inspection records. The antidotes are stored under controlled conditions, into a refrigerator and their validity is constantly checked. The operation qualified the local hospital (Posta de Salud Villa Alhué) as a complementary resource in the event of cyanide related emergencies. The operation also counts with air rescue resources. The transportation procedures between the operation and the local hospital are tested, at least, once a year. The Villa Alhué Hospital was visited during the field audit and found to have an infrastructure to assist cyanide contaminated personnel. It was evidenced that cyanide related emergency drills are effectively performed by the operation, including and involving the local Hospital team in the exercises. Evidenced 2010 annual emergency simulation plan and related drills records.

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
 in substantial compliance with Standard of Practice 7.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

It was evidenced, during the system audit, that the operation has identified and evaluated, in a structured way, all the cyanide related risks (real and potential ones).Based on this risk evaluation, the operation developed general and specific cyanide related emergency response plans. These plans were developed by multi-disciplinary stakeholders and communicated / shared with the community representatives and others external stakeholders, such as public authorities.

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Standard of Practice 7.2: *Involve site personnel and stakeholders in the planning process.*

The operation is in full compliance with
 in substantial compliance with Standard of Practice 7.2
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

It was evidenced, during the system audit, that the operation has identified and evaluated, in a structured way, all the cyanide related risks (real and potential ones). Based on this risk evaluation, the operation developed general and specific cyanide related emergency response plans. These plans were developed by multi-disciplinary stakeholders and communicated / shared with the community representatives. The emergency response plan was reviewed, approved and communicated to several stakeholders (internal and external), including security and health authorities, public authorities, emergency response suppliers, community representatives. When performing emergency drills, the operation invites specific stakeholders to participate in the drills, when applicable. Emergency situations related to the cyanide transport were developed in conjunction with the cyanide producer and the cyanide transporter.

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

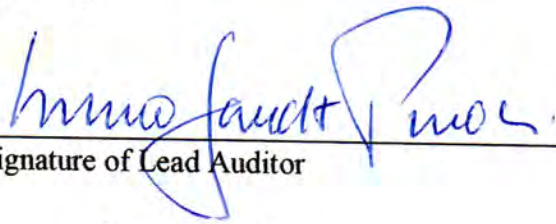
The operation is in full compliance with
 in substantial compliance with Standard of Practice 7.3
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

It was evidenced that the operation, based on the real and potential cyanide related risks, developed general and specific emergency plans, involving several stakeholders in this development. The required resources (human, hardware, communication, suppliers, installations) to implement such plans were identified also. The operation has prepared and qualified specific personnel to act and respond in emergency situations as well as external suppliers (hospital, emergency responders related to cyanide transport, cyanide producer(local representative)) were involved. It was evidenced (during the field audit) that the operation has available specific hardware to respond to emergency situations, such as ambulance, antidote kits, PPEs, defibrillator, neutralization materials. Such hardware is constantly inspected. Records of such inspections were evidenced. The emergency plan and brigade are frequently tested through planned emergency drills. Records of such drills were evidenced and are maintained by the operation.

Standard of Practice 7.4: *Develop procedures for internal and external emergency notification and reporting.*

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The operation is in full compliance with
 in substantial compliance with Standard of Practice 7.4
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The emergency response plan was reviewed, approved and communicated to several stakeholders (internal and external), including security and health authorities, public authorities, emergency response suppliers, community representatives. When performing emergency drills, the operation invites specific stakeholders to participate in the drills, when applicable. The emergency communication loop is clearly defined and also contact information is available in the plan.

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

The operation is in full compliance with
 in substantial compliance with Standard of Practice 7.5
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

It was evidenced that the developed emergency plans considered the recovery or neutralization of solid cyanide, the decontamination of soils or other contaminated media, the management and disposal of spill clean-up debris and the provision of an alternate drinking water supply. The emergency plan prohibit the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water. The potential need for environmental monitoring to identify the extent and effects of a cyanide release, including sampling methodologies, parameters and, where practical, possible sampling locations are addressed in the emergency plans.

Standard of Practice 7.6: *Periodically evaluate response procedures and capabilities and revise them as needed.*

The operation is in full compliance with
 in substantial compliance with Standard of Practice 7.6
 not in compliance with

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Summarize the basis for this Finding/Deficiencies Identified:

Evidenced the 2010 emergency simulation plan. Evidenced three emergency drills performed up to date, involving NaCN leakage during unloading, NaCN leakage during transportation (with the participation of DuPont Chile and Verasay Transportes) and HCN intoxication (performed during the audit, as requested by the auditors). After each emergency drill, the drill results are reviewed and discussed among the participants. The opportunities of improvement raise-up during the drills are considered as corrective or preventive actions and managed adequately. Reports related to the drills and their review were found in place.

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
 in substantial compliance with Standard of Practice 8.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Minera Florida trains all personnel who may encounter cyanide in cyanide hazard recognition and 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. Verified the training program "Programa de Capacitación Funcional PLC 2010-2011", "Programa de Capacitación Funcional Mantenición PLC año 2010-2011", "Programa de Capacitación Funcional Laboratorio PLC año 2010-2011" and the refresher training is considered.

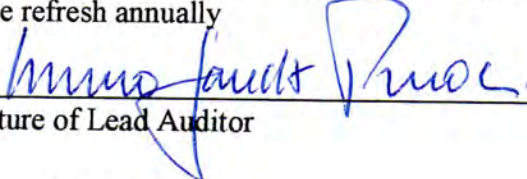
Standard of Practice 8.2: *Train appropriate personnel to operate the facility according to systems and procedures that protect human health, the community and the environment.*

The operation is in full compliance with
 in substantial compliance with Standard of Practice 8.2
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

All trainings, divided by position, and its duration is controlled by procedures as "Procedimiento de Capacitación Funcional para El manejo de Cianuro" FAPTLB-000003-1, "Programa de Capacitación Funcional PLC 2010-2011" related to process plant, "Programa de Capacitación Funcional Mantenición PLC año 2010-2011" related to maintenance, "Programa de Capacitación Funcional Laboratorio PLC año 2010-2011" related to laboratory. There is refresher training on cyanide management provided to ensure that employees continue to perform their jobs in a safe and environmentally protective manner. The procedure "Programa de Capacitación Funcional 2010-2011" state that all employees be refresh annually

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

Summarize the basis for this Finding/Deficiencies Identified:

There are evidences that plant operators and maintenance employees have collaborated to elaborate the Emergency Plan. Evidences of communication with community members, medical providers, hospital, and police officer, about the elements of the Emergency Response Plan related to cyanide, were verified. The plant operations and maintenance personnel are trained in procedures for response to cyanide releases Training records for rescue team and first aid were found, including plant operators and maintenance employees. Simulated cyanide emergency drills are periodically conducted for training purposes. These mock drills cover the work exposures and environmental releases. Were verified the records of refresher training for response to cyanide exposures and releases, conducted annually.

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
 in substantial compliance with Standard of Practice 9.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation provide the opportunity for stakeholders to communicate issues of concern regarding the management of cyanide trough a program called "Puertas Abiertas". Records of visits of institutions as Liceo Municipal Sara Troncoso, Grupo Folclórico "Raices y añoranzas", Junta de Vecinos "El esfuerzo", Enfermos Cronicos, Alumnos Universidad Catolica, Club Deportivo Localidad de Pichi. There is a special phone 0400, that is used by communitie to communicate some issues or concern regarding cyanide.

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

The operation is in full compliance with
 in substantial compliance with Standard of Practice 9.2
 not in compliance with

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Summarize the basis for this Finding/Deficiencies Identified:

Minera Florida provide opportunities for the operation to Interact with the stakeholders and provide them with information regarding cyanide management practices and procedures. Records were observed as newspaper called "Boletin Informativo" in a monthly way that is send to the community and employes. Verified records of training with police officers, fireman, clinics.

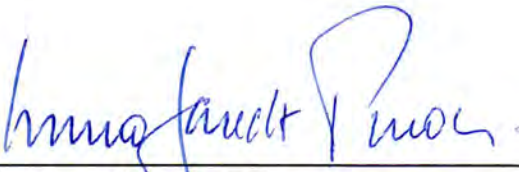
Standard of Practice 9.3: *Make appropriate operational and environmental information regarding cyanide available to stakeholders.*

The operation is in full compliance with
 in substantial compliance with Standard of Practice 9.3
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

There is an information material with simplified information about cyanide management at Minera Florida. Evidences of meeting with several municipal organizations, police, municipal secretariat, hospitals, communities were checked, where the material was also distributed.

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