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REPORT

ICMC RECERTIFICATION SUMMARY AUDIT REPORT

La India Mine, Sonora, Mexico

Submitted to:

International Cyanide Management Institute (ICMI)
1400 I Street, NW - Suite 550
Washington, DC 20005
United States of America

Submitted by:

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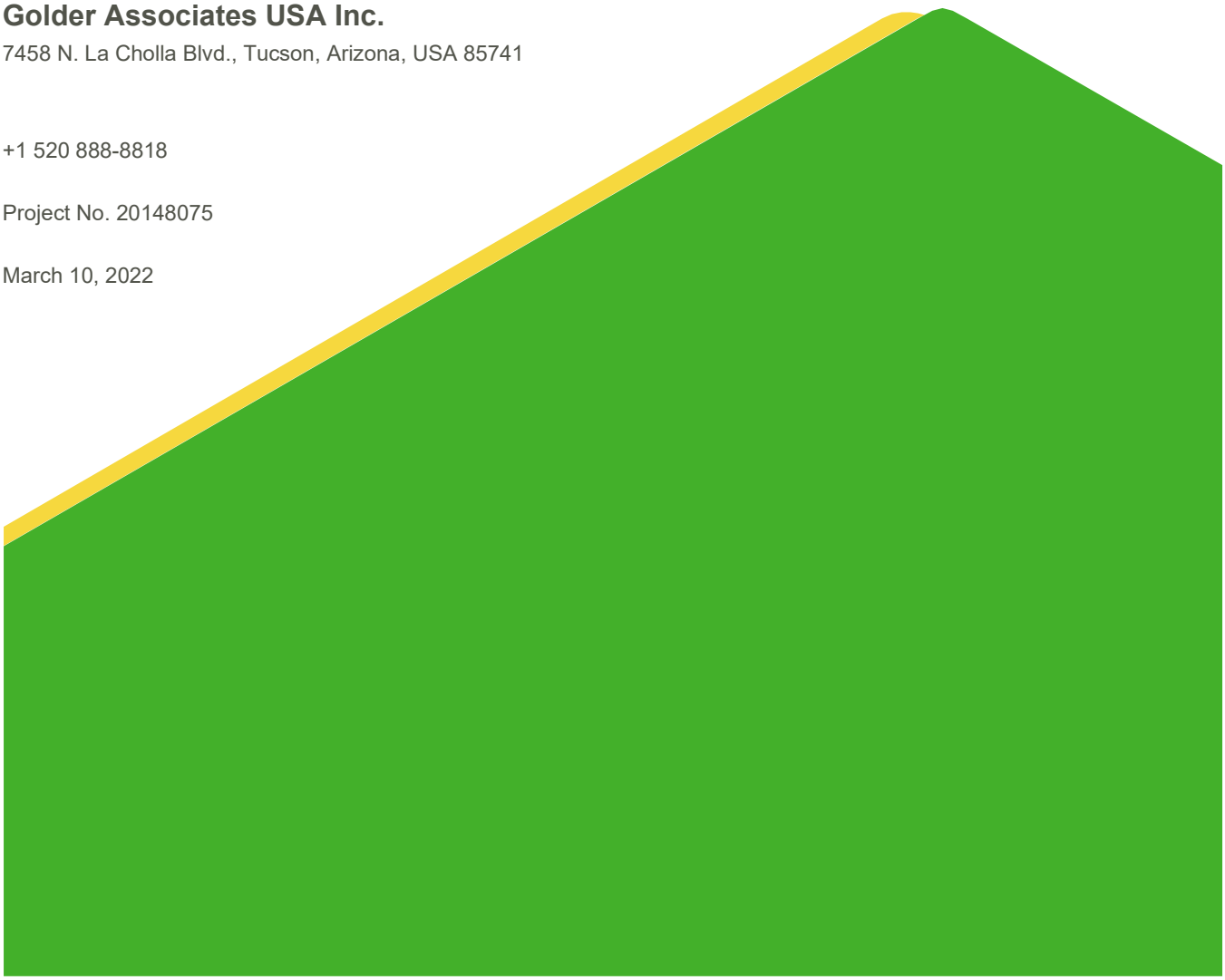
March 10, 2022



Distribution List

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1.0 SUMMARY AUDIT REPORT FOR GOLD AND SILVER MINING OPERATIONS

Name of Mine:	La India Mine
Name of Mine Owner:	Agnico Eagle Mexico
Name of Mine Operator:	Agnico Eagle Sonora
Name of Responsible Manager:	Marco Perea
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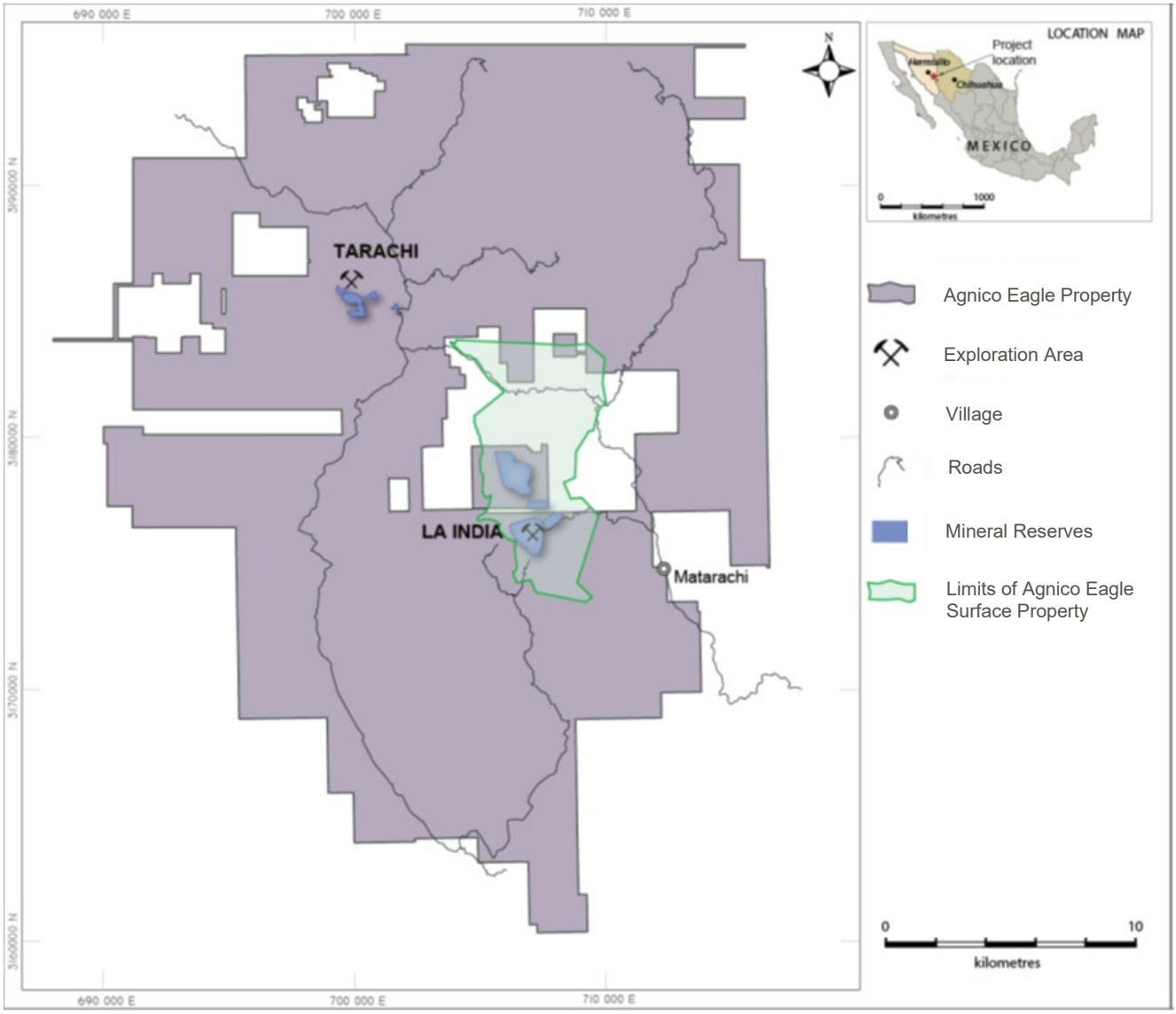
2.0 LOCATION DETAIL AND DESCRIPTION OF OPERATION

2.1 Mine Location

La India is located in the County of Sahuaripa, State of Sonora, Mexico. It is in the mountainous region of the Sierra Madre Occidental between the villages of Tarachi and Matarachi, approximately 210 kilometers (km) to the southeast of the city of Hermosillo (Figure 1). The area around the mine is extremely rugged. The nearby communities and approximate number of residents are: Matarachi (350) and Tarachi (270).

Figure 1: Regional Location Plan



2.2 Background

In November 2011, Agnico Eagle Mexico (AEM) acquired the La India Project and in 22 months AEM completed the design and permitting for the mine, starting operations in September of 2013 and producing the first bar of doré in November of 2013. Commercial production was reached in February 2014 with an annual average production of 92,000 ounces of gold.

La India occupies approximately 547 hectares for open pit mining, heap leaching, processing, and support facilities. The primary open pits are the North Pit, La India (Central Pit), and the Principal Pit. The mining process consists of drilling and blasting, loading, and haulage of ore and overburden to the crusher or stockpiles, respectively, depending on its grade. The ore is crushed in three phases, starting from a primary feed stockpile. After processing through grizzlies and transporting by conveyor, the ore undergoes secondary and tertiary grinding until the desired particle size is obtained. Starting in 2020, the crushed ore also passes through an agglomeration plant where cement is added to create larger particles with better permeability when placed in the heap leach facility (HLF).

Heap leaching consists of irrigation with alkaline cyanide solution (barren) and recovery of gold-laden solution (pregnant). The HLF has three phases with the first two phases inactive in 2021 and the third phase that came online in 2021. Barren solution is applied by drip irrigation. Pregnant solution reports to a pregnant pond adjacent to the Adsorption, Desorption, and Recovery (ADR) Plant via an intermediate transfer pond associated with the Phase 3 HLF. A third process pond, the excess pond, is operated for containment of solutions during extreme precipitation events or wet seasons. All three ponds are double-lined with leak detection and collection systems.

From the pregnant pond, the gold-laden solution reports to the column feed vessel in the ADR Plant and then to two trains of the carbon-in-column (CIC) circuit with 6 columns each (the sixth column for each train having been added in 2018). Carbon passes to the carbon acid wash vessel, the carbon stripping tank, the carbon dewatering screen, and the carbon regeneration circuit added in 2018. Carbon fines are collected in a separate tank for later shipping for additional processing at an off-site location. From the carbon stripping tank, the gold-laden solution passes to the electrowinning (elution) cells and then to the refinery for production of the gold dore. The barren solution from the CIC circuit passes to the barren tank for pumping back to the HLF. Figure 2 presents a simplified process flow diagram.

La India receives solid cyanide as briquettes in plastic bags inside wooden boxes. The boxes are stored in a warehouse within the ADR Plant. The solid cyanide is dissolved into a 25 percent solution in a mixing area adjacent to the warehouse. The mixing area consists of two tanks: a preparation tank and a distribution tank. From the distribution tank, high-strength cyanide with red colorant is added to the process circuit at five points (Figure 3) with the resulting approximate concentrations of free cyanide as listed below:

1) End (sixth) columns of the CIC circuit (350 to 700 milligrams per liter [mg/l])
2) Barren solution tank (350 to 700 mg/l)
3) Head (first) column of the first train of the CIC circuit (350 to 700 mg/l)
4) Head (first) column of the second train of the CIC circuit (350 to 700 mg/l)
5) Elution circuit (2,000 to 5,000 mg/l)

La India has contracted with Code-certified cyanide producers and transporters. La India has shipped the rinsed plastic bags and empty wooden boxes to a government-authorized disposal facility via a government-authorized transporter.

La India has identified the cyanide facilities (i.e., facilities with concentrations of Weak Acid Dissociable [WAD] cyanide greater than or equal to 0.5 mg/l). The list of cyanide facilities is largely unchanged from the previous audit cycle, but with the two modifications to the existing cyanide facilities, two new cyanide facilities, and no excluded facilities (other than those exempted by the Code):

Cyanide Facilities from Previous Audit Cycles

- The cyanide offload and storage warehouse
- The cyanide mix, distribution, and barren solution tanks
- The ADR plant, CIC tanks, carbon washing, and stripping
- The HLF Phase 1 and Phase 2 (heap leach pad, under drains, the pregnant pond, the excess pond)
- Associated pipelines, pumps, valves, and appurtenances
- Surface water diversions associated with the above facilities

Modified Cyanide Facilities this Audit Cycle

There are three modified cyanide facility this audit cycle:

- HLF
  - Phase 2 Expansion
  - Phase 3 (including the transfer pond)
- ADR Plant
  - Two additional CIC columns (one per train)

New Cyanide Facilities this Audit Cycle

There are two new cyanide facilities this audit cycle:

- Agglomeration plant
- Carbon regeneration circuit at the ADR Plant

Excluded Facilities

There are no excluded facilities this audit cycle, except those exempted by the Code, such as refineries and laboratories.

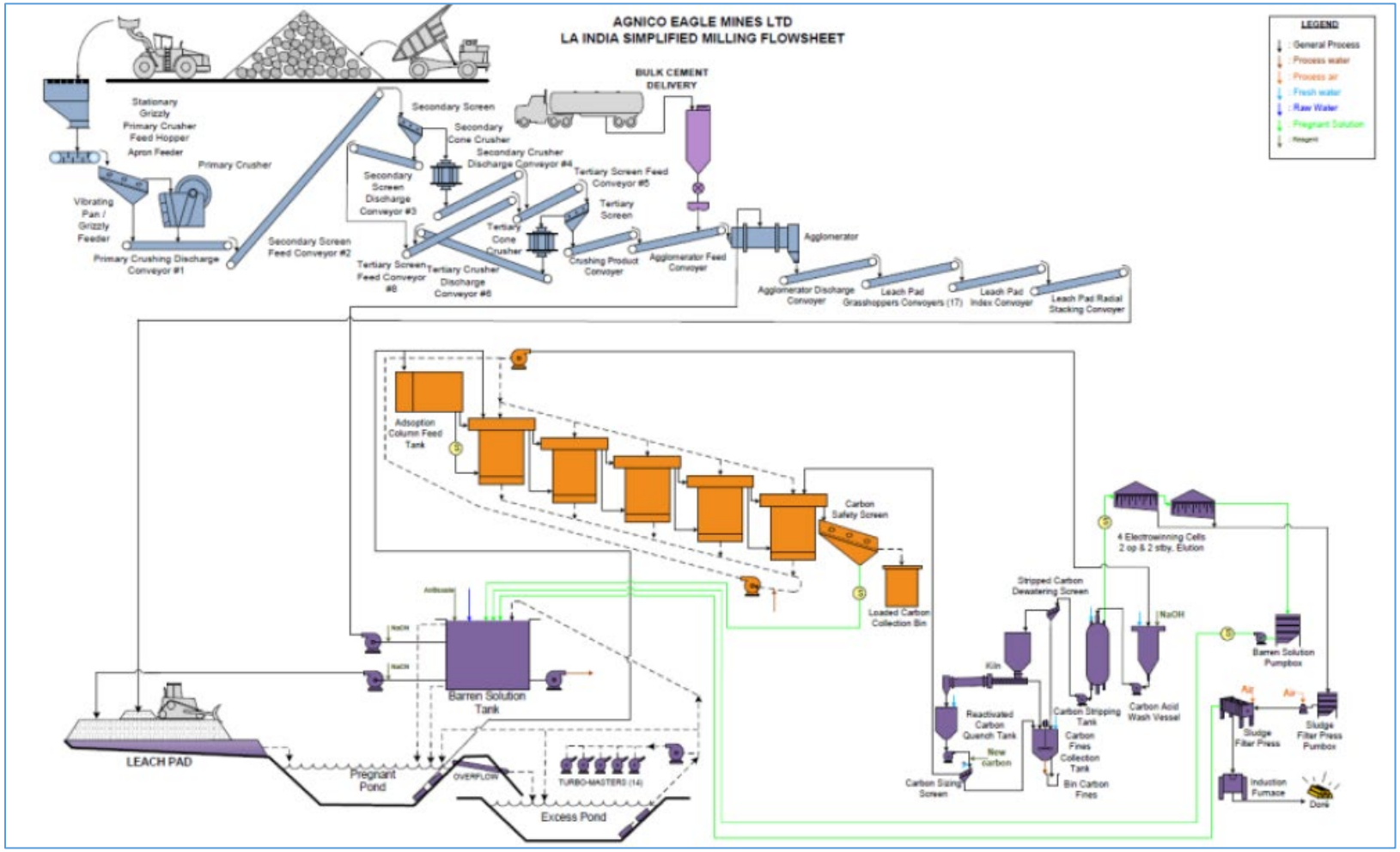


Figure 2: Simplified Process Flow Diagram (supplied by La India)

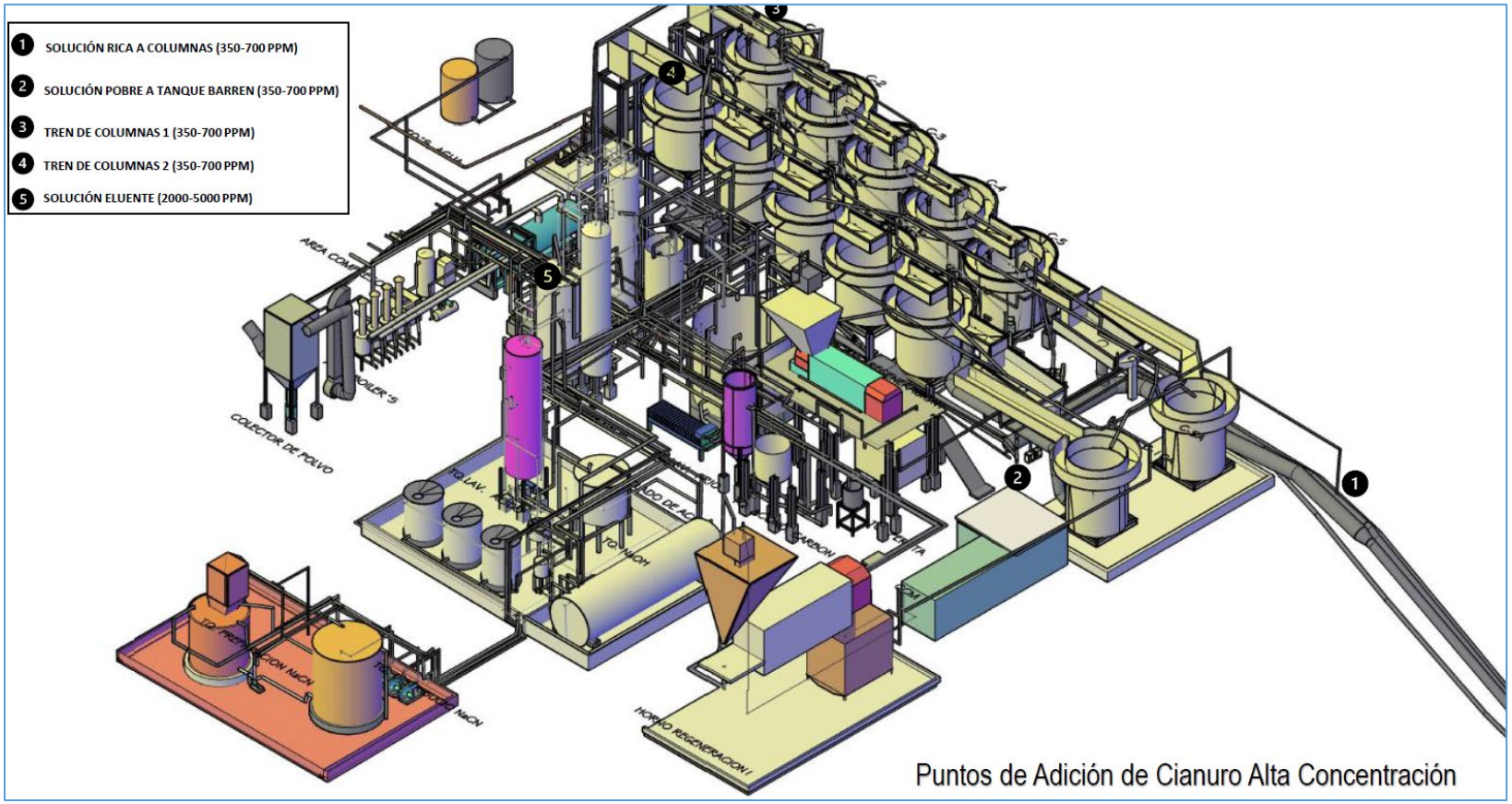


Figure 3: ADR Plant Isometric Plan with Cyanide Addition Points (supplied by La India)

Legend
1 Pregnant Solution to Columns (350-700 mg/l)
2 Barren Solution to Barren Tank (350-700 mg/l)
3 Column Train 1 (350-700 mg/l)
4 Column Train 1 (350-700 mg/l)
5 Eluent Solution (2,000-5,000 mg/l)

March 10, 2022
Date

Iván Apiringa C.
Signature of Lead Auditor

La India Mine
Name of Facility

SUMMARY AUDIT REPORT

Auditors Findings

La India Mine is:

☐ **in full compliance with**

☒ in substantial compliance with **The International Cyanide Management Code**

☐ not in compliance with

Audit Company: Golder Associates Inc.

Audit Team Leader: Ivon Aguinaga, Lead Auditor and Mining Technical Specialist

Email: ivon_aguinaga@golder.com

The operation has experienced compliance issues during the previous audit cycle which are discussed in this report under Principle 4. The operation was found in substantial compliance with the Cyanide Code based on the audit findings discussed in this report under Standards of Practice 4.1 and 4.7.

Name of Other Auditors

Name, Position	Signature
Kent R. Johnejack, Mining Technical Specialist	

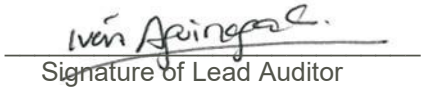
Dates of Audit

The recertification audit was undertaken within three days from August 24 to 26, 2021.

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 (ICMI) and that all members of the audit team meet the applicable criteria established by the ICMI for 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 (ICMC or Code) Mining Operations Verification Protocol for and using standard and accepted practices for health, safety, and environmental audits.

La India Mine
Name of Facility


Signature of Lead Auditor

March 10, 2022
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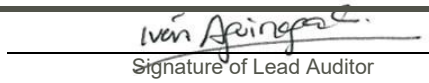
Signature of Lead Auditor

La India Mine
Name of Facility

PRINCIPLE 1 – PRODUCTION

Encourage Responsible Cyanide Manufacturing by Purchasing from Manufacturers that 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.**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Standard of Practice 1.1**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with 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.

La India has purchased cyanide manufactured by Chemours in 2018, and by CyPlus Idesa from 2019 to the present. The Chemours production facility in Memphis, USA, as well as the CyPlus Idesa production facility in Coatzacoalcos, Mexico, were recertified as complying with the Code over the recertification period. Also, the Chemours transloading facility in Hermosillo, Mexico, and the CyPlus Idesa transloading terminal and warehouse in Obregon, Mexico, were recertified as complying with the Code over the recertification period. Compliance was verified by reviewing the Code summary reports for Chemours and CyPlus Idesa. The auditors also reviewed letters from Chemours and CyPlus Idesa describing the cyanide supply chain from their production facilities to the mine site.

PRINCIPLE 2 – TRANSPORTATION

Protect Communities and the Environment during Cyanide Transport

Standard of Practice 2.1: **Require that cyanide is safely managed through the entire transportation and delivery process from the production facility to the mine by use of certified transport with clear lines of responsibility for safety, security, release prevention, training, and emergency response.**

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:

The operation is in full compliance with Standard of Practice 2.1; require that cyanide is safely managed through the entire transportation and delivery process from the production facility to the mine by use of certified transport with clear lines of responsibility for safety, security, release prevention, training, and emergency response.

La India maintains copies of bills of lading from Chemours and CyPlus Idesa as well as a letter from them describing the entire cyanide transportation supply chain from their production facilities to the mine site.

The Chemours cyanide transportation supply chain elements included the Chemours production facility in Memphis; transportation via railroad by the Canadian National Railway, Union Pacific, and Ferromex; the Chemours transloading facility in Hermosillo; and the transportation from this facility to the mine site by Transportes Especializados Segutal. The CyPlus Idesa cyanide transportation supply chain elements included their production facility in Coatzacoalcos, their transloading terminal and warehouse in Obregon, and the transportation of the cyanide boxes from the production facility to the warehouse in Obregon and then to the mine site by Transportes Degam.

The Chemours cyanide supply chains in the US and in Mexico are certified with the Code. All parts of the CyPlus Idesa cyanide supply chains in Mexico are also certified with the Code.

Compliance was verified by reviewing the Code summary reports, the letters from Chemours and CyPlus Idesa describing their cyanide supply chains, and examples of bills of lading for the recertification period.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 3.1**

☐ not in compliance with

Summarize the basis for this finding:

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

La India has received only solid cyanide as briquettes in plastic bags inside wooden boxes during the recertification period. La India has not received liquid cyanide via tanker trucks or solid cyanide via isotankers.

La India has designed and constructed the facilities for unloading, storing, and mixing cyanide in accordance with applicable jurisdictional rules and sound and accepted engineering practices. La India has one cyanide warehouse and one mixing area, both located at the ADR Plant. The mixing area contains a preparation tank and a distribution tank. No changes in these facilities have occurred this audit cycle and the auditors observed them to be in good condition. The La India cyanide storage and mixing facilities achieved compliance during the initial audit and remain compliant this audit cycle.

La India has located the warehouse and mixing area for solid cyanide away from people and surface water bodies, and within locked, fenced, gated, guarded, and video-monitored areas to prohibit unauthorized access. There are no offices or areas where personnel congregate near the warehouse and mixing area. The nearest community is 6 kilometers away in a separate hydrologic basin. Surface water in the vicinity of the mine is ephemeral, flowing only in response to precipitation.

La India has fitted the high-strength cyanide tanks with level sensors linked to a control panel and with audible-visual alarms to prevent overfilling. The auditors observed screen shots that the level sensors were functioning. La India also provided quarterly maintenance records for the level sensors to verify that they were maintained.

La India has stored solid cyanide at the walled and roofed cyanide warehouse at the ADR Plant with a concrete floor to minimize the potential for contact with water and to prevent seepage or leakage to the subsurface. The warehouse also has concrete hump at the bay door to prevent run-on. The cyanide warehouse has fans and turbine ventilators to provide adequate ventilation. There is a fixed cyanide gas monitor and personnel entering must use a portable cyanide gas monitor. Only cyanide is stored in the cyanide warehouse, meaning there is no

potential for contact with incompatible materials, such as acids, strong oxidizers, and explosives or with foods, animal feeds, and tobacco products.

La India has stored high-strength cyanide solution at the ADR Plant in two outdoor tanks with adequate ventilation and on solid concrete bases/floors and a concrete secondary containment that provide a competent barrier to leakage. The secondary containment has a sump with a pump to return solution to the distribution tank. The high-strength tanks are located within their own secondary containment that prevents mixing with incompatible materials.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 3.2**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 3.2; operate unloading storage and mixing facilities using inspections, preventative maintenance, and contingency plans to prevent or contain releases and control and respond to worker exposures.

La India has implemented procedures that prevent empty cyanide containers from be reused, that require rinsing, and that ensure their proper disposal at an authorized facility. The total number of cyanide boxes in the warehouse have been tracked on an inventory form each shift to ensure all are accounted for. Empty bags have been rinsed twice and then temporarily stored with the empty wooden boxes in the cyanide warehouse until transport for disposal. The auditors reviewed the inventory forms and examples of completed manifests for disposal of the empty boxes and plastic bags to verify compliance throughout the recertification period.

La India has implemented procedures that address operating valves, timely cleanup of spills, and handling cyanide containers with a forklift to prevent rupturing or puncturing during cyanide unloading and the transfer of the containers from the cyanide warehouse to the mixing area. The procedures also require that cyanide containers be stacked no more than two high within the cyanide warehouse; the auditors observed this to be the case. The procedures also specify the personal protective equipment (PPE) and require that a minimum of two operators be present during the cyanide mixing. Finally, the procedures call for addition of colorant during mixing. A cyanide mixing event was observed at the Process Plant to verify the implementation of these procedures.

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 preventative maintenance procedures.**

☐ **in full compliance with**

The operation is ☒ in substantial compliance with **Standard of Practice 4.1**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in substantial compliance with Standard of Practice 4.1; implement management and operating systems designed to protect human health and the environment including contingency planning and inspection and preventative maintenance procedures.

La India has developed management systems for operating their facilities, including the cyanide facilities (i.e., facilities with concentrations of WAD cyanide greater than or equal to 0.5 mg/l. The list of cyanide facilities is largely unchanged from the previous audit cycle, but with the two modifications to the existing cyanide facilities, two new cyanide facilities, and no excluded facilities:

Cyanide Facilities from Previous Audit Cycles

- The cyanide offload and storage warehouse
- The cyanide mix, distribution, and barren solution tanks
- The ADR plant, CIC tanks, carbon washing, stripping, and handling
- The HLF Phase 1 and Phase 2 (heap leach pad, under drains, the pregnant pond, the excess pond)
- Associated pipelines, pumps, valves, and appurtenances
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There are three modified cyanide facility this audit cycle:

- HLF
  - Phase 2 Expansion
  - Phase 3, including the transfer pond
- ADR Plant
  - Two additional CIC columns (one per train)

New Cyanide Facilities This Audit Cycle

There are two new cyanide facilities this audit cycle:

- Agglomeration Plant
- Carbon regeneration circuit at the ADR Plant

Excluded Facilities

There are no excluded facilities this audit cycle, except those exempted by the Code, such as refineries and laboratories.

The overarching management systems for Agnico Eagle globally and AEM, the direct parent company of La India, includes: Mining Association of Canada's Towards Sustainable Mining program; Risk Management and Monitoring System; and Management System for Responsible Mining (Sistema de Gestion de Minería Responsible).

La India has developed plans and procedures that describe the design criteria and applicable regulatory requirements to prevent or control cyanide releases and exposures. These include: 50 mg/l WAD cyanide limit for open waters; freeboard of 0.6 to 1.0 meters (m) depending on the pond; regulatory standard of 0.07 mg/l total cyanide in water for human consumption; and the 100-year, 24-hour design storm of 180 millimeters.

On August 1, 2021 La India experienced heavy rains that flooded a low area between Phase 1 and Phase 3 of the HLF. The ponding damaged the toe of the Phase HLF 1 and sediment/spent ore plugged a drainpipe. The damage to the toe of the Phase 1 HLF was localized and did not appear to constitute a risk of overall slope failure. La India implemented immediate corrective actions, such as pumping out the flooded area and sampling the ponded water. La India prepared an incident investigation report that showed total cyanide concentrations in the ponded water were less than 0.1 mg/l, indicating that impacts to soil were unlikely. La India completed a root cause evaluation that identified the incomplete construction of surface water diversions for the Phase 3 HLF and the lack of maintenance of the drainage pipe at the ponding area as root causes.

The auditors observed hand-labor crews restoring parts of the damaged toe berm at the time of the site visit. After an unsuccessful attempt to unplug the drainpipe with a vac-truck, La India decided that additional engineering measures were needed to re-establish control of stormwater in this low area. The flow analysis and design have been completed in-house but construction is not yet complete. In addition, La India construction staff stated the surface water diversions for the Phase 3 HLF were completed in November 2021, indicating this root cause has been rectified. Finally, La India provided a completion report in March 2022 for the reconstruction and raising of the damaged toe berm.

Nonetheless, the auditors consider La India to be in substantial compliance and a corrective action plan has been prepared. The auditor's judgment is based on the fact that until construction of the drainage improvements is complete, and inspection and maintenance are implemented, there is a reasonable likelihood that ponding and damage might reoccur during heavy rains. The auditors consider that that the operation has demonstrated good faith, that there is no immediate risk to human health or the environment, and that establishing control of the stormwater in this area can be demonstrated in less than a year.

La India has developed a thorough set of standard operating procedures for the safe and environmentally sound operation of their cyanide facilities. The procedures detail the risks involved with each task and adequately describe safe work practices. Each procedure details task-specific measures, PPE requirements, and persons responsible for implementation.

La India has developed a procedure to review proposed changes to production processes, operating practices, or cyanide facilities to evaluate environmental and health and safety implications, determine mitigation measures, and disseminate knowledge of the change. La India provided 11 examples of changes related to the cyanide facilities that were signed by multiple departments.

La India has developed cyanide management procedures for non-standard operating situations that have the potential for cyanide exposures and releases. These contingency procedures cover water balance upsets, concentrations of WAD cyanide in open waters greater than 50 mg/l, and specific situations identified by monitoring and inspection (e.g., leaks, seepage, slope failure, cyanide-contaminated soil, cyanide-intoxicated wildlife, and spills). The closure plan addresses temporary closure due to economic, political, or social situations.

La India has inspected the cyanide facilities in accordance with written procedures to ensure they are functioning as intended. Tanks have been inspected weekly with annual non-destructive testing and an assessment of their suitability for continued use. Secondary containments for tanks and pipelines have been inspected weekly and daily, respectively. The leak detection and collection system for the pregnant pond has been inspected daily with documentation of the volume and duration of pumping, pH, and the free cyanide concentration. Pipelines, pumps, and valves at the ADR Plant and HLF have been inspected weekly. The new and modified cyanide facilities have been incorporated into the inspection program. Pond water levels have been surveyed daily to evaluate freeboard and prevent overtopping. Surface water diversions and fences have been inspected daily.

However, La India has not inspected the leak detection and collection system at the excess pond for most of the recertification period. As the new transfer pond is part of the HLF Phase 3, inspections of that system could not start until after its construction in 2021. For all three ponds, La India has not evaluated the collected data.

La India restarted inspection and operation of the system in the excess pond in October 2021. La India also installed a pump in the system for the transfer pond and started inspections and operation in October 2021. Data (i.e., volume pumped, pH, free cyanide concentration) from the three leak detection and collection systems has been plotted in time series graphs since October 2021 to look for possible trends and/or abrupt changes.

La India provided a spreadsheet on March 1, 2022 that showed the required data had been collected from the leak detection and collection systems for the three ponds from November 2021 through February 2022. The spreadsheet also included time series graphs interpreting the data which showed the systems were functioning as intended, thus achieving full compliance for this item.

La India has inspected the cyanide facilities on an established frequency sufficient to assure and document that they are functioning within design parameters. The inspection frequencies are daily, weekly, or per event.

La India has retained the inspection forms. These forms address specific conditions, such as cracks, corrosion, etc. and include the date of the inspection and the name of the inspector. Deficiencies have been noted that are then transferred to the maintenance planners for scheduling and completing corrective actions.

La India has implemented a maintenance program to ensure that equipment and devices function as necessary for safe cyanide management. La India uses written procedures and a software program to manage preventive and corrective maintenance. The maintenance staff have inspected equipment according to annual schedules using forms from the software (gamas), as evidenced by examples from throughout the recertification period. La India provided a spreadsheet of corrective actions for randomly selected pieces of equipment, as well as

closed work orders for preventative and corrective maintenance. La India also provided evidence of inspection, calibration, and maintenance for level sensors, flow meters, and pH meters.

La India has generated its own power at an on-site station with five generators of 1800 kilowatts each – there is no connection to the national grid. La India has backup power, a generator of 1000 kilowatts, sufficient to run the ADR Plant and HLF pumps, and thereby prevent unintentional releases and exposures. La India has regularly maintained the backup generator throughout the recertification period, as evidenced by a maintenance schedule and examples of completed inspection and maintenance forms.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 4.2**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 4.2; introduce management and operating systems to minimize cyanide use, thereby limiting concentrations of cyanide in mill tailings.

Standard of Practice 4.2 is inapplicable because La India does not have a mill or generate tailings.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 4.3**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 4.3; implement a comprehensive water management program to protect against unintentional releases.

La India has developed a water balance model using the GoldSim software that is comprehensive and probabilistic. The model is comprehensive in that the 2021 version includes the HLF Phase 3. The model is probabilistic in that it includes average, wet, and dry year scenarios, a 100-year, 24-hour design storm, and a 24-hour power outage.

La India has developed a water balance model that considers the appropriate input parameters for the facilities and the environment. The model assigned reasonable values for precipitation, evaporation, moisture content of ore, active and inactive areas, irrigation rates, and representative precipitation and evaporation data. The model includes a 100-year, 24-hour design storm of 180 millimeters and a 24-hour power outage. The model and its updates showed that the excess pond would not overtop in the average, wet, and dry year scenarios.

La India has designed and operated the pregnant and excess ponds with adequate freeboard of 0.6 m above the maximum design storage capacity. La India has run model updates several times each year of the recertification period to verify that conditions would not lead to overtopping and unplanned discharges. Memoranda for these updates include time series graphs that show the pond water volumes have not encroached into the design storm or freeboard levels for the pregnant and excess ponds during the recertification period.

The design freeboard for the transfer pond for the HLF Phase 3 is 1.0 m. Water level monitoring in the transfer pond started in mid-2021 when the pond became active and results showed that freeboard has been maintained.

La India has developed a procedure, monitoring, and inspections to implement the water balance and prevent overtopping to the environment. A contingency procedure describes the measures to be implemented during upset conditions to prevent overtopping. Pond water levels are surveyed daily. La India inspects the HLF, ponds, and diversion channels daily.

La India has measured precipitation locally and incorporated the data into operating practices. La India has installed one meteorological station near the ADR Plant. The 2021 water balance technical memorandum states that the 2013 to 2020 precipitation data from the mine station was used in the water balance.

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

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Standard of Practice 4.4**

☐ not in compliance with

Summarize the basis for this finding:

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

La India has implemented measures to physically restrict access by wildlife and livestock to open waters with concentrations of WAD cyanide greater than 50 mg/l. The only process ponds with WAD cyanide concentrations greater than 50 mg/l are the pregnant pond and the transfer pond for the Phase 3 HLF. The perimeter of the pregnant pond is completely fenced and the surface is covered with bird discs (like bird balls but flat). The auditors observed the discs and fence to be in good condition at the time of the site visit.

The transfer pond was constructed in mid-2021. Data provided by La India in early November 2021 showed that the transfer pond had WAD cyanide concentrations of 254 and 124 mg/l in September and October 2021, respectively. The fencing around the transfer pond and netting over the pond were completed in March 2022.

Based on weekly reports of daily wildlife inspections, as well as interview with the environmental coordinator, La India has not experienced any wildlife mortality during the recertification period.

La India has applied leach solution to the HLF in a manner that prevents significant ponding and limits overspray. La India manages ponding by daily inspections and implementing measures according to a written procedure when significant ponding is noted, such as reducing the application rate, draining the ponding area, installing

netting, and ripping/perforating the surface. La India provided photographs of netting installed over the significant ponds. Leach solution has been applied to the HLF top surface and outslopes by drip irrigation which inherently eliminates the potential for overspray.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 4.5**

☐ not in compliance with

Summarize the basis for this finding:

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

La India does not have a direct discharge from the cyanide facilities to surface water, nor are there any mixing zones.

La India does not have indirect discharges to surface water from the cyanide facilities, nor is there a mixing zone established by Mexican authorities. Nonetheless, La India has monitored surface water for cyanide during the recertification period. The HLF, ponds, and ADR Plant are located in a valley with a single watercourse downstream with one surface water sampling station (ASUP1) located approximately 100 meters downstream of the excess pond. The La India Environmental department has adopted the lowest water standard from the Mexican federal regulation (NOM 127 SSA1 [1994]), which is for human consumption. The numerical standard for human consumption is 0.07 mg/l total cyanide. There is no actual point of surface water use. The monthly monitoring results from this audit cycle indicated that the maximum concentration of total cyanide was less than the regulatory limit.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 4.6**

☐ not in compliance with

Summarize the basis for this finding:

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

La India has implemented measures to protect groundwater. All phases of the HLF and pipeline secondary containment channel are constructed with a composite liner (geosynthetic clay liner [GCL], 1.5 millimeter High Density Polyethylene [HDPE] geomembrane, geonet and then another 1.5 mm HDPE geomembrane). The pregnant, excess, and transfer ponds are constructed with a composite liner and are equipped with leak

detection, collection, and recovery systems. The ADR Plant (including the two new CIC columns and carbon regeneration circuit), cyanide warehouse, and Agglomeration Plant are constructed with reinforced concrete floors.

La India has monitored for cyanide in groundwater to demonstrate that beneficial uses of groundwater downgradient of the cyanide facilities have not been affected at concentrations greater the numerical standards in Mexican regulations. La India Environmental department has adopted the lowest groundwater standard from the Mexican federal regulation (NOM 127 SSA1 [1994]), which is 0.07 mg/l total cyanide for human consumption. The closest point of actual groundwater use is well (Asb1) at the mine camp located in a separate watershed and approximately two kilometers from the cyanide facilities. A monitoring well (Asb3) is located downgradient of and adjacent to the excess pond and is therefore the closest well positioned downgradient of all cyanide facilities. For both wells, results from the recertification period were below the laboratory quantification limit, although there were three quarters where the wells did not produce enough water to be sampleable.

The question regarding use of mill tailings as underground backfill is inapplicable because the operation does not have mill or underground workings.

La India has not caused cyanide concentrations of groundwater to rise above levels protective of beneficial use and therefore is not engaged in groundwater remediation.

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

☐ **in full compliance with**

The operation is ☒ in substantial compliance with **Standard of Practice 4.7**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in substantial compliance with Standard of Practice 4.7; provide spill prevention or containment measures for process tanks and pipelines.

La India has provided spill containment measures for all cyanide-related tanks. The ADR Plant has three cyanide-related containment areas (i.e., CIC area, acid wash area, mixing area) and one non-cyanide related containment area (i.e., lime solution storage). All containments were constructed with reinforced concrete floors and walls and the tanks installed on solid concrete bases (as found compliant in the previous audit report). The two new CIC columns were installed on raised steel beams over a concrete floor with walls that was connected to the larger CIC containment. The new carbon regeneration circuit contains moist, but not wet, carbon but nonetheless was elevated on pedestals above the concrete containment connected to the larger CIC containment.

The acid wash containment was sized for 7.2 times the volume of the largest vessel within it. The mixing area containment was sized for 1.4 times the volume of the largest tank within it. The CIC containment, which comprises the majority of the ADR Plant was sized for approximately one-half of the volume of the largest vessel within it. However, the CIC containment has an overflow point to a geomembrane-lined channel to the concrete

containment for the barren tank, which in turn is sloped to drain to the adjacent pregnant pond. The pregnant pond, therefore, provides adequately-sized tertiary containment for the entire ADR Plant.

La India has designed all secondary containments for the ADR Plant with sumps and pumps that automatically return solution to the process circuit rather than release to the environment. There are three sumps with a total pumping capacity of 170 cubic meters per hour, sufficient to prevent discharge to the environment and precludes the need for a written procedure for discharge to the environment.

There are no cyanide-related tanks at the agglomeration plant. Moreover, the agglomerated ore in the elevated rotating drums is moist, but not wet, and there is no potential for a spill analogous to that from a tank. Although the agglomeration plant does have concrete containment, sized containment is unnecessary.

La India has provided secondary containment for all cyanide-containing pipelines to collect and prevent releases to the environment. The cyanide-related pipelines between the plant/pond area and the HLF are HDPE pipes within a geomembrane-lined channel or are located within the footprint of the geomembrane-lined pad. The ADR Plant has secondary containment for all cyanide piping, including piping for the two new CIC columns and the carbon regeneration circuit. The pipeline from the ADR Plant to the barren tank has an HDPE secondary liner. For the piping from Phase 1 of the HLF to the Agglomeration Plant, the feed line was contained within HDPE pipe that drains back towards the HLF by gravity.

However, the auditors observed that the new 16-inch diameter pipe from the transfer pond for Phase 3 of the HLF to the ADR Plant did not have secondary containment and was located outside of the footprint of the pad. La India has exhibited good faith by ordering 30-inch diameter HDPE pipe to create a pipe-in-pipe configuration as secondary containment. Global supply chain issues for HDPE pipe have delayed its arrival and installation.

Nonetheless, the auditors consider La India to be in substantial compliance and a corrective action plan has been prepared. The auditor's judgment is based on the fact that without secondary containment there is an increased potential for a release to the environment. The auditors consider that that the operation has demonstrated good faith, that there is no immediate risk to human health or the environment, and that installing the secondary containment can be demonstrated in less than a year.

La India has constructed tanks and pipelines of materials that are compatible with cyanide and high pH conditions. The cyanide-related tanks and pipelines have been constructed of carbon steel, stainless steel, HDPE, and YeloMine Polyvinyl Chloride (PVC).

The Code question regarding procedures to remediate soils affected by releases from tanks without containment is inapplicable because La India has provided secondary containment for all cyanide-related tanks and vessels.

The Code question regarding special containment protection for surface water is inapplicable because there are no perennial watercourses or permanent surface water bodies in the vicinity of La India due to the generally arid climate.

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.

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Standard of Practice 4.8**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with 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.

La India has implemented Construction Quality Assurance (CQA) programs for the cyanide facilities that have included items appropriate to the nature of each project. For those cyanide facilities existing at the time of the initial certification, compliance was achieved at that point in time. For the new or modified cyanide facilities this audit cycle, CQA was provided by consultants and laboratories with oversight by the La India construction superintendent and coordinator. The HLF Phase 2 Expansion and the HLF Phase 3 CQA programs included earthworks, soil compaction, geomembrane liner installation, GCL installation, geonet installation, gravel overliner installation, and collection piping installation. The CQA programs for the two new CIC columns, carbon regeneration circuit, and Agglomeration Plant included, as appropriate to each, visual observation, soil compaction testing, concrete testing, non-destructive testing, welding testing, and electrical-mechanical inspection.

La India has provided appropriately qualified review to show that the cyanide facilities were constructed as designed and are suitable for their intended use. For the cyanide facilities existing at the time of the initial certification, compliance was achieved at that point in time. The final acceptance certificate for the Phase 2 Expansion was signed by the construction superintendent, indicating qualified review. Although the Final CQA Report for the Phase 3 HLF was unavailable at the time this audit report was prepared, the auditors consider that La India's ongoing review of the daily reports and involvement in construction meetings is sufficient to support full compliance.

For the other new cyanide facilities this audit cycle, qualified review was provided by the construction superintendent and the construction coordinator. Both are degreed civil engineers with Mexican cedulas (the equivalent of professional registration in Mexico).

La India has retained CQA records for the cyanide facilities by a combination of electronic and hardcopy files. A trailer located next to the construction office contains a physical library of design and construction documents. More recent documents are available as pdfs in La India's intranet system.

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

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Standard of Practice 4.9**

☐ not in compliance with

Summarize the basis for this finding:

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

La India has developed written procedures for water and wildlife monitoring. La India has developed an overall environmental monitoring program manual, as well as procedures specific to wildlife monitoring and groundwater/surface water monitoring. These procedures have been developed by qualified consultants and the analytical laboratory under the direction of qualified environmental staff at the mine.

The written procedure for groundwater and surface water sampling describes containerization, preservation, handling, and shipping of samples for analysis of cyanide species in accordance with Mexican regulations. The procedure also contains instructions for preparing the chain of custody and for ensuring the integrity and quality of the samples. The field sampling is conducted by staff from the analytical laboratory using their standard procedures. An aerial photograph shows the locations of the monitoring wells and surface water stations.

La India has documented sampling conditions and procedures via the field forms used by its analytical laboratory. The field form has documented weather, flora, fauna, and other conditions that might affect sample integrity, as well as containerization, preservation, shipping, handling, samplers names, and the date and time of sampling.

La India has conducted monitoring at frequencies adequate to characterize the medium being monitored and to identify changes in a timely manner. Surface water has been monitored monthly, groundwater has been monitored quarterly, and wildlife has been monitored daily.

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.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 5.1**

☐ not in compliance with

Summarize the basis for this finding:

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

La India has developed a closure plan that describes the decommissioning of the cyanide facilities at the cessation of operations. This closure plan covers the HLF, ponds, ADR Plant, Agglomeration Plant, cyanide warehouse, and pipelines, and includes proper disposal of remaining cyanide, equipment decontamination, and rinsing of the HLF and ponds. The closure plan is accompanied by an operational procedure for decontamination of cyanide-contaminated equipment with more details on the decontamination process.

La India has developed an implementation schedule for closure that includes the major decommissioning activities for the cyanide facilities. The four-year closure sequence is shown with reference to years after cessation of mining with decontamination of cyanide facilities and stabilization of the ponds and HLF in the first year.

La India has regularly reviewed and revised its decommissioning procedures for cyanide facilities. Revision history tables in both the closure plan and the decontamination procedure show multiple updates during this audit cycle.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 5.2**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 5.2; establish an assurance mechanism capable of fully funding cyanide related decommissioning activities.

La India has developed a cost estimate for decommissioning of cyanide facilities as part of its annual Asset Retirement Obligation process. The cost estimate covers the appropriate cyanide facilities and decommissioning activities. It also includes the rinsing and neutralization of the HLF. Decommissioning costs have been based on a recent contractor quote, lump sum assumptions, and contracted labor costs. La India has reviewed and updated its closure cost estimate multiple times during the recertification period, as evidenced by 2020 and 2021 versions of the estimate.

La India has established self-guarantee as the financial assurance mechanism. A qualified financial company prepared a statement that the operation has sufficient financial strength to fulfil this obligation as demonstrated by an acceptable financial evaluation methodology (i.e., Section 40 of the US Code of Federal Regulations 265.143(f)). The preparer was a certified public accountant in Mexico. The amount of self guarantee noted in the declaration exceeded the subset of decommissioning costs as shown in the 2021 version of the closure cost estimate.

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.

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 6.1**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 6.1; identify potential cyanide exposure scenarios and take measure as necessary to eliminate, reduce, and control them.

La India has developed and implemented a set of plant, pad, environmental, safety, and maintenance procedures that describe the practices to minimize worker exposure during unloading, mixing, plant/pad operations, entry into confined spaces, and equipment decontamination. Each procedure describes in detail the dangers associated with the tasks, equipment and PPE required to execute the task, and the methodology to be followed to safely perform the task. Procedures also include requirements for pre-work inspections. La India has conducted pre-work inspections prior to cyanide offload and mix as well as regular inspections of all its cyanide facilities. The auditors reviewed the operating procedures and examples of completed inspection forms and checklists to verify compliance. The auditors also observed signage requiring PPE and workers wearing the appropriate PPE during the site visit.

Supervisors and workers have jointly developed the procedures at La India during meetings and in the field. The operators have signed the cover sheet of each procedure after all agree on its content. The auditors reviewed such signed procedures to verify compliance. In addition, La India has implemented the evaluation of risks prior to cyanide activities through the completion of a work task form. Through this evaluation, safety procedures and concerns have been evaluated. Supervisors have reviewed the completed work task forms and the follow up done on any identified safety concerns. The auditors interviewed process personnel who confirmed that workers provided input to procedures before signing the cover sheets.

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.

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 6.2**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with 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.

La India has developed procedures that specify the pH for limiting the evolution of hydrogen cyanide gas (HCN) during preparation and production activities. The pH specified for the plant and pad is a minimum of 10.5, while the pH specified for mixing cyanide is between 10.0 and 11.0. The auditors reviewed data for the plant and pad as well as completed preparation checklists to confirm that the pH was maintained as required in the procedures.

La India has identified areas and activities with potential exposure to HCN gas. These areas have been identified through a qualitative risk assessment for each mine area with the risk of intoxication by HCN gas. Based on these evaluations, La India has installed fixed HCN monitors in strategic locations and has required workers to wear portable HCN monitors while performing cyanide related activities. The operating procedures require PPE in the areas where the cyanide is being used and during the activities described in the procedures. Fixed monitors with audible and visual alarms have been installed at the mixing area, acid wash area, cyanide warehouse and at the Agglomeration Plant. Alarm levels are set up at 4.7 parts per million (ppm) (alert) and 10 ppm (evacuation). The auditors observed the fixed monitors, as well as workers wearing the portable monitors.

La India has maintained, tested, and calibrated HCN gas monitoring equipment. For both fixed and portable monitors, the auditors reviewed calibration records showing actual calibration data to verify compliance.

As observed during the site visit, La India has installed signage around the pad, plant, and ponds advising workers that cyanide is present, and that smoking, flames, eating, and drinking are not allowed. There was also good signage at the pad and plant areas on the required PPE.

La India adds colorant during mixing at the cyanide mix tank for clear identification. The cyanide preparation procedures describe the addition of colorant during mixing. The mixing checklist also includes the verification of the addition of the colorant. The auditors reviewed a letter from CyPlus Idesa confirming the supply of the colorant, the cyanide preparation procedures and examples of completed mixing checklists to verify compliance.

La India has installed shower/eyewash stations and fire extinguishers in strategic locations throughout the mine. The auditors randomly tested selected shower/eyewash stations during the site visit, as well as randomly checked selected fire extinguishers to verify they were the correct type (i.e., not carbon dioxide). The auditors also reviewed completed inspection forms for the shower/eyewash stations and fire extinguishers to verify compliance.

La India has labelled cyanide related tanks and piping to alert workers of their contents and the direction of flow. Pipelines were labelled with yellow labels indicating cyanide solution and yellow arrows showing the direction of flow.

La India has placed hard copies of the cyanide Safety Data Sheet (SDS) and emergency response procedures in appropriate locations around the warehouse, mixing area, plant, and pad. The SDSs were in Spanish, the language of the workforce. The auditors observed these SDSs and procedures to verify compliance.

La India has developed a written procedure and investigation form to evaluate cyanide accidents. The auditors reviewed two cyanide-related investigation reports to verify that La India has implemented the procedure and that follow-up actions identified in the investigation were completed.

Standard of Practice 6.3: Develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

	☒ **in full compliance with**	
The operation is	☐ in substantial compliance with	**Standard of Practice 6.3**
	☐ not in compliance with	

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 6.3; develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

La India has water, oxygen, resuscitators, antidote kits, and communication methods available at the cyanide facilities. La India has an on-site clinic to provide medical assistance to workers exposed to cyanide. In addition, La India has an ambulance. The plant and pad antidote kits have been stored within mini-refrigerators and contain amyl nitrite, water, activated carbon, and oxygen tank. The onsite clinic has three types of cyanide antidotes: amyl nitrite, cyanokit, and thiosulfate. The auditors verified that all antidotes were stored at the correct temperature and were not expired. Automated external defibrillators have been located at the plant, clinic, and ambulance. Operators at the plant and pad have radios, as well as the clinic and ambulance. This equipment has been inspected weekly to monthly. The auditors inspected the kits and equipment, and reviewed completed inspection forms, to verify compliance.

La India has developed written procedures that describe how to respond to cyanide exposures. The procedure contains sections on cyanide chemistry, symptoms, first aid for conscious and unconscious victims, and advanced medical attention. In addition, the auditors noted signage around the plant and pad that indicated response measures for cyanide exposures.

The onsite clinic has coverage 24 hours a day 7 days a week by a staff of three doctors, one nurse and five paramedics. Onsite doctors have received cyanide medical training by CyPlus in March 2021. La India also has established a brigade that has received cyanide intoxication medical training. In addition, operators whose tasks involve cyanide are trained in cyanide first aid. The onsite doctors and paramedics are authorized to administer the cyanide antidotes, including the cyanokit and thiosulfate. The brigade members and operators whose tasks involve cyanide are trained to administer the amyl nitrite antidote. The auditors inspected the clinic and ambulance and reviewed the training certificates to verify compliance.

The Emergency Response Plan describes the air transport procedure by Pima Air Taxi to the Hospital San Jose in Hermosillo. La India has provided the hospital with a cyanide antidote kit, sent a letter advising of possible cyanide exposure cases, and helped with arrangements for the hospital doctors to participate in CyPlus medical training provided in March 2021. The auditors reviewed letter from La India to the hospital, as well as training certificates for hospital doctors and the contract between Agnico Eagle and Pima Air Taxi to verify compliance.

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.

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 7.1**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 7.1; prepare detailed emergency response plans for potential cyanide releases.

La India has prepared an Emergency Response Plan and other response plans covering all areas of the mine and various types of incidents. The Emergency Response Plan and procedures cover scenarios applicable to the site including HCN gas release; transportation accidents; releases during unloading and mixing; releases during fires and explosions; leaks from rupture of tanks, valves, pipes, etc.; pond overtopping; power outages; seepage from cyanide facilities; and slope failure at the leach pad. The Emergency Response Plan and procedures also include procedures for evacuation of site personnel and nearby communities, cyanide first aid (including antidote use) and personnel decontamination, air transport to a hospital in Hermosillo and environmental incidents and management of cyanide spills. The Emergency Response Plan and procedures do not include a scenario for failure of cyanide treatment, destruction, or recovery systems as La India does not have these types of facilities. The auditors reviewed the plan and procedures to verify compliance.

Planning for response to transportation emergencies has been addressed by both La India and their cyanide producer/transporter certified with the Code. La India has prepared a procedure covering transportation emergencies while CyPlus Idesa, the current company responsible for the cyanide supply to the site, has its own emergency response plan, as required for certification under the Code.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 7.2**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 7.2; involve site personnel and stakeholders in the planning process.

La India has involved its workers, stakeholders, and nearby communities in the cyanide emergency planning process.

The Emergency Response Plan describes the role of the San Jose Hospital in Hermosillo where victims would be treated in case of cyanide intoxication. La India staff stated that other local, state, or federal agencies would not have an onsite role during an emergency, although they might have an offsite role depending on the nature of the incident.

La India provides annual refresher training on cyanide emergency response to workers, during which the workers have the opportunity to provide input. La India also provides annual training on the use of cyanide in mining including cyanide emergency response to the four nearest communities (Tarachi, La Iglesia, Trigo de Corodepe and Matarachi). In June 2018, La India held a mock drill for sodium cyanide spill during transportation of the cyanide within the mine property. Segutal (the cyanide transporter in 2018), Civil Protection from Yecora (community located along the cyanide transportation route) and mine personnel participated in this drill. In 2019 and 2020 cyanide related drills were also conducted with the participation of the process personnel, brigade members, and onsite doctors. La India invited external agencies such as the local fire departments and Civil Protection of Yecora, Sahuaripa, and Arivechi, but these agencies did not attend the drills.

La India has also communicated with the San Jose Hospital in Hermosillo with respect to treatment of victims of cyanide intoxication. La India has provided the hospital with a cyanide antidote kit. More than 20 doctors from the hospital have completed the cyanide medical training provided by La India via CyPlus in March 2021.

La India has also renewed a Mutual Aid Agreement with the Sonora Civil Protection for Emergencies in 2021.

The auditors reviewed mock drill reports, letter from La India to the hospital, training certificates for hospital doctors, invitation letters to external entities to participate in the mock drills, and 2021 signed Agreement between Sonora Civil Protection and La India to verify compliance. The auditors also reviewed training materials and records, and a report on weekly activities with the communities to verify compliance.

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:

The operation is in full compliance with Standard of Practice 7.3; designate appropriate personnel and commit necessary equipment and resources for emergency response.

La India has developed an Emergency Response Plan that includes an organization chart for the incident command structure showing the primary and alternative coordinators with the authority to commit resources, as well as each member of the emergency brigade. This plan also specifies the duties and responsibilities of the coordinators and team members. The plan requires that brigade members complete training and be certified for emergency activities and includes a table with the required training. In addition, the plan lists the brigade members with their contact information and includes emergency call-out procedures.

Section 5 the Emergency Response Plan lists the cyanide related emergency response equipment at the mine site. A procedure (PR-SM-JS-17-03 Inspection of Emergency Protection and Response Equipment) covers inspection of the emergency equipment. Inspection forms have been developed for the cyanide emergency equipment. The auditors reviewed completed inspection forms.

The Emergency Response Plan describes the role of the San Jose Hospital in Hermosillo where victims would be treated. La India staff stated that other local, state, or federal agencies would not have an onsite role during an emergency, although they might have an offsite role depending on the nature of the incident.

La India has also communicated with the San Jose Hospital in Hermosillo with respect to treatment of victims of cyanide intoxication. La India has provided the hospital with a cyanide antidote kit. More than 20 doctors from the hospital completed the cyanide medical training provided by La India via CyPlus in March 2021.

La India has renewed a Mutual Aid Agreement with the Sonora Civil Protection for Emergencies in 2021 that includes evacuation support. All annual cyanide mock drills have been coordinated with the Mexican environmental enforcement agency, the Procuradia Federal de Proteccion Ambiental (PROFEPA), and mock drill reports have been issued to PROFEPA. In June 2018, La India held a cyanide mock drill with the participation of Civil Protection from Yecora (community located along the cyanide transportation route) and mine personnel.

The auditors reviewed the Emergency Response Plan, mock drill reports issued to PROFEPA, a letter from La India to the hospital, training certificates for hospital doctors, and the 2021 signed Agreement between Sonora Civil Protection and La India to verify compliance.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 7.4**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 7.4; develop procedures for internal and external emergency notification and reporting.

La India has developed an Emergency Response Plan that contains procedures and contact information for notifying management, regulatory agencies, and medical facilities. The Emergency Response Plan also contains procedures and contact information for notifying nearby communities and for communicating with the media.

La India has developed a procedure for notifying ICMI of any significant cyanide incidents as defined in ICMI's Definitions and Acronyms document. At the time of the audit, La India had not experienced any significant cyanide incidents. The auditors reviewed the procedure and the reports on cyanide incidents occurred during the recertification period.

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

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Standard of Practice 7.5**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 7.5; incorporate remediation measures and monitoring elements into response plans and account for the additional hazards of using cyanide treatment chemicals.

La India has developed and has implemented specific remediation procedure that includes recovering solution or solids with hand tools and heavy equipment, as well as neutralizing solution with sodium hypochlorite. The remediation procedure also describes the steps to prepare the sodium hypochlorite solution and states the endpoint for soil decontamination. Contaminated soil shall be disposed on the HLF. The remediation procedure also contains an iterative sampling method for soil wherein samples are collected, analysed for total cyanide at the internal laboratory, and additional soil is excavated until the endpoint is achieved. A separate section of the remediation procedure describes a general approach to sampling surface water and groundwater using an accredited laboratory and refers to a specific environmental department sampling procedure for details.

In addition, the remediation procedure states that it is highly unlikely that an alternate water supply would be needed, but if it were, then an established source upstream/upgradient of the HLF, process ponds, and ADR Plant (“noria”) would be used. By interview with the community relations supervisor and review of maps in Google Earth, the auditors confirmed that none of the nearby communities obtain water from the watercourse downstream of the HLF.

The remediation procedure and the Emergency Response Plan specifically prohibit the use of sodium hypochlorite, ferrous sulphate, and hydrogen peroxide to treat releases to surface water.

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

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Standard of Practice 7.6**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 7.6; periodically evaluate response procedures and capabilities and revise them as needed.

The Emergency Response Plan states that it will be changed when it is necessary as well as after emergencies and after mock drills if any response procedures require modification. The plan includes a revision table showing that the plan was revised at least annually during the recertification period. La India staff stated that the operation experienced no actual emergencies during the recertification period which necessitated evaluation or revision of its emergency response procedures. La India staff also stated that reviews or changes to its emergency response procedures after a mock drill have not been needed during this recertification period. The auditors reviewed the Emergency Response Plan to verify compliance. La India completed three cyanide related mock drills for both releases and exposures in 2018, 2019 and 2020. These drills covered the entire response process from callout to response. Response time was evaluated as well. Each drill was accompanied by a report and an evaluation form that included follow-up actions to improve response planning. The auditors reviewed mock drill reports as well evidence that follow up actions were addressed (e.g., training records) to verify compliance.

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**

☐ in substantial compliance with **Standard of Practice 8.1**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 8.1; train workers to understand the hazards associated with cyanide use.

La India has trained mine personnel and contractors that may encounter cyanide in cyanide safety and emergency response procedures. This training has included safe management of cyanide, hazard recognition, cyanide first aid procedures (including advanced medical treatment), and the Emergency Response Plan. This training has been provided via training sessions for incoming workers. In addition, La India has provided training in the use of the Self-contained Breathing Apparatus (SCBA) units to process personnel. Refresher training has been provided annually. La India has developed a general training program specifically for tracking successful completion of cyanide training that covers both employees and contractors. La India has retained records of cyanide training that include the names of the employee and the trainer, training dates, topics covered, and test results demonstrating an understanding of the training. The auditors reviewed training presentations, the annual general training matrices, and records of general training of three process operators to verify compliance.

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:

The operation is in full compliance with 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.

La India has task trained operators involved in unloading, mixing, production (plant and pad), and maintenance to work safely with cyanide and prevent cyanide releases. La India has based task training on their operating procedures. These procedures identify the training elements necessary for each job involving cyanide management. Each procedure contains elements for PPE, dangers, procedural steps, and forms (if applicable). The procedures are also accompanied by a PowerPoint presentation and a quiz.

La India has used qualified staff to task train staff. The plant and pad supervisors have provided the task training. The plant supervisors are engineers with several years of experience in process activities. The cyanide first aid and emergency response training has been provided by safety personnel who have received cyanide medical treatment training.

La India has trained staff prior to working with cyanide. Once a new operator has completed task training, the operator has worked with an experienced operator until the new operator is ready to work independently. La India has provided annual refresher task training to ensure that operators continue to perform their tasks in a safe and environmentally protective manner. La India has evaluated the effectiveness of training by both testing and observation.

La India has retained records of cyanide training that include the names of the employee and the trainer, training dates, topics covered, and test results demonstrating an understanding of the training.

The auditors reviewed the operating procedures, training presentations, training records, completed quizzes and observation forms to verify compliance.

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:

The operation is in full compliance with Standard of Practice 8.3; train appropriate workers and personnel to respond to worker exposures and environmental releases of cyanide.

La India has trained operators whose tasks involve cyanide with basic cyanide first aid and response measures as part of their Safe Management of Cyanide/Cyanide First Aid training. This training has included response procedures for cyanide first aid, decontamination, and spills. Brigade members and emergency response coordinators have also received this training. In addition, La India has provided in-depth training to brigade members in first aid, decontamination, poisoning, trauma, hazardous materials, PPE, SCBAs, confined spaces, evacuation, and others. Refresher training has been provided annually to operators whose tasks involve cyanide. The brigade members have received training monthly on various topics, and each year the topics are repeated. Records of cyanide training have been retained and include the names of the employee and the trainer, training dates, topics covered, and test results demonstrating an understanding of the training. The auditors reviewed the training presentations, training matrices, and training records to verify compliance. Also, training records and examples of completed quizzes were reviewed to verify compliance.

La India has prepared an Emergency Response Plan that describes the role of the San Jose Hospital in Hermosillo where victims would be treated in case of cyanide intoxication. La India staff stated that other local, state, or federal agencies would not have an onsite role during an emergency, although they might have an offsite role depending on the nature of the incident. La India has renewed a Mutual Aid Agreement with the Sonora Civil

Protection for Emergencies in 2021 that includes evacuation support. Annual cyanide mock drills have been coordinated with PROFEPA and mock drill reports have been issued to PROFEPA. In addition, La India has communicated with the San Jose Hospital in Hermosillo with respect to treatment of victims of cyanide intoxication. La India has provided the hospital with a cyanide antidote kit. More than 20 doctors from the hospital have completed the cyanide medical training organized by La India via CyPlus in March 2021. The auditors reviewed mock drill reports, a letter from La India to the hospital, training certificates for hospital doctors, and the 2021 signed Agreement between Sonora Civil Protection and La India to verify compliance.

PRINCIPLE 9 – DIALOGUE

Engage in Public Consultation and Disclosure

Standard of Practice 9.1: Promote dialogue with stakeholders regarding cyanide management and responsibly address identified concerns.

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 9.1**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 9.1; promote dialogue with stakeholders regarding cyanide management and responsibly address identified concerns.

La India has provided stakeholders with information on its cyanide management practices and engage with them regarding their concerns. La India has an open-door policy where the guards at the main gate know to alert the community relations staff if the public approaches with issues. The corporate website also provides contact information for a confidential hotline via phone, fax, mail, and email (https://www.agnicoeagle.com/English/contact-us/default.aspx).

In addition, La India has provided annual training on the use of cyanide in mining to the four nearest communities (Tarachi, La Iglesia, Trigo de Corodepe, and Matarachi). During these meetings, La India has discussed concerns the communities may have related to cyanide. Also, La India has provided training on cyanide management including cyanide first aid to the community of Tarachi. La India also keeps a doctor, subcontracted by La India, in Tarachi and Matarachi. The auditors reviewed training materials and records, and interview Community Relations personnel to verify compliance.

Standard of Practice 9.2: Make appropriate operational and environmental information regarding cyanide available to stakeholders.

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 9.2**

☐ not in compliance with

Summarize the basis for this finding:

The operation is in full compliance with Standard of Practice 9.2; make appropriate operational and environmental information regarding cyanide available to stakeholders.

La India has developed written descriptions of how their activities are conducted and how cyanide is managed, and these descriptions have been made available to communities and other stakeholders. These descriptions have been made available via a trifold pamphlet on cyanide use and management and information posted on the corporate website. The local literacy rate is 95 percent with Spanish as the primary language. La India has

disseminated information on cyanide in verbal form during the annual training on the use of cyanide in mining provided to the communities. The training presentations and the trifold pamphlet have also included photos and simple diagrams.

The public would have access to information on exposures and releases via La India's written procedures for communications and via reports to governmental agencies. Only treatment and lost time incidents are legally reportable. Exposures and releases meeting the legal requirements for reporting would have to be reported within 72 hours to the Instituto Mexicana de Seguro Social (IMSS); Secretaria de Trabajo y Prevención Social (STPS); and PROFEPA. At the time of the audit, La India had not experienced any cyanide releases or exposures under items a) to e) of this question. The auditors interviewed staff, reviewed the Emergency Response Plan and the Accident Investigation Procedure, and reviewed incident investigation reports to verify that no cyanide-related treatment or lost time exposure incidents occurred that would have required reporting to authorities.

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