Gold Mining Operations

Summary Audit Report

for

Minera Yanaquihua S.A.C

Perú/June 2022.

Prepared by NCABrasil Expert Auditors Ltd.

www.globalsheq.com

This report contains 37 (thirty-seven) pages.

Minera Yanaquihua		19/12/2023
Name of Mine	Signature of Lead Auditor	Date

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:

ICMI (International Cyanide Management Institute)
1400 I Street, NW, Suite 550.
Washington, DC, 20005, USA.
Tel: +1-202-495-4020.

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.

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Name of Mine: Minera Yanaquihua S.A.C.
Name of Mine Owner: Yanaquihua S.A.C.
Name of Mine Operator: Minera Yanaquihua S.A.C.
Name of Responsible Manager: Ing. Hernán Jimenez Rojas.
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Location detail and description of operation:

I. LOCATION OF THE PLACE WHERE THE CIP PROCESS TAKES PLACE:

Minera Yanaquihua S.A.C. (Mysac), Alpacay unit, has its gold ore leaching plant located in Yanaquihua, Condesuyos, Arequipa, at 2650 meters above sea level.
Mysac extracts, exploits auriferous minerals and processes them through CIP (Carbon in Pulp) process, using NaCN, NaOH and recovering the dissolved Au (gold) in the adsorption process with activated carbon. It was evidenced that the operation is installing a new desorption reactor, but it was not yet commissioned during this audit. It was possible, anyway, to review some design and fabrication documentation related to this new desorption reactor (elution column). Please refer to Standard of Practice 4.8 for more information.

II. PLANT ACTIVITIES:

INTRODUCTION:

MYSAC processes 235 TMSPD (dry metric ton per day) of mine minerals from the Company's concession.
The operations start with the reception of the ore in the scales, then it is identified and crushed in the closed circuit of the D court, then it is arranged according to its origin in courts A, B, C, D, E, after the corresponding sampling and determination of batch grades and arranged in the AMS (Mineral Analysis System) system, a pile of ore is formed with certain contents of Au, Ag (silver), Cu (copper), As (arsenic) for its processing. Then the ore is crushed in the crushing section in order to have an adequate granulometry that benefits the grinding-sorting process, where an optimum liberation degree is obtained at 72% -200 meshes, which benefits the CIP process, then the dissolved gold is recovered by adsorption of the dissolved Au with activated carbon.
The generated tailings from the process is filtered in two filter presses where the Barren solution is separated from the sweepings, which is recirculated 85% to the process, and 15% goes to the filtered "cake" (solids) with 15-18% of humidity, the cake is disposed by dump trucks in the Tailings Storage Facility # 3.

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There is also a Metallurgical Laboratory for geo-metallurgical analysis of the batches that are incorporated to the piles, for a better management of the processes based on the recovery obtained from metallurgical tests.
SEAL's (Sociedad Eléctrica de Arequipa Ltda.) electric power is provided by a sub-station with two 250 kVA (kilo volt ampere) transformers and operates with an 835 kw (kilowatt) Cummins generator set (secondary power supply system), when SEAL's electric power is cut-off (primary power supply system).

ORE RECEPTION:
The ore from the mine and artisans (external ore miners) is weighed, the area of origin is identified and coded with the corresponding lot number. Then, it is unloaded in A, B, C, D and E courts, and the sampling and preparation of the sample is done to send it to the Chemical Laboratory for the determination of Au, Ag, Cu, As grades.
After determining the grades of the received batches, they are arranged in the AMS system (Sistema de Análisis de Minerales/ Mineral Analysis System), and we proceed to the formation of ore pile with grade 14-16 gr./tm (gram per metric ton), 30 gr.Ag/tm, 0.20%, and 0.02% As.

Crushing Section (Comminution):
Once the pile is formed, the ore is fed to a 40 TMH (metric ton hour) capacity coarse hopper, which has a 6" light rail grate. The ore then passes through conveyor belt No. 01 to a 10 "x16" primary jaw crusher with a 1" discharge set.
The product from this crusher along with the fine ore from the 2'x4' vibrating Grizzly, are discharged to conveyor belt No. 02 which discharges into a 3' x 8' vibrating screen with a 5/16" mesh opening, where the fines - 5/16" discharges to the 60 TMH fines hopper, while the coarse material is transported by conveyor belt No. 3 to the Symons 2' secondary crusher, which in turn discharges to conveyor belt No. 4 that discharges to belt No. 2, in closed circuit, obtaining a granulometry of 95% - 5/16" as the final crushed product.

Grinding – Classification:
The ore stored in the fine's hopper is transported by conveyor belt No. 6 and belt No. 7 and fed to the 6'x5' mill. An automatic head sampler (ore -5/16") is installed under conveyor belt N°6 and NaCN, NaOH and barren solutions are added to the ore fed to the 6'x5' mill.
The discharge from the 6'x5' mill is fed with a 3 "x3" pump to hydro-cyclone D-6 N°1, the underflow from D-6 N°1 is fed to the 5'x5' mill and its overflow is fed to the 5'x5' mill discharge box, the milled mixture will be fed by a 3 "x3" N°2 pump to hydro-cyclone D-6 N°2.
Overflow from D-6 N°2 hydro-cyclone is fed to Landsky 4'x8' 3-deck Landsky screen with 70 mesh, while underflow from D-6 N°2 is fed to 5' x 5' mill. The undersize from the Landsky screen is fed to the 2 ½"x2" pass pump box to the cyanidation process.
The oversize is fed to the 3'x4' mill and its discharge is transported by 2 1/2" x2" N°1 pump to the 4'x5' mill discharge box to be mixed and pumped by 3 "x3" N°3 pump to the D-6 N°3 obtaining two products, the underflow which is fed to the 4'x5' mill and overflow which is also fed to the Landsky screen.

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All the -70-mesh product from the Landsky screen is pumped to the 19' x 19' N°1 leach agitator by means of a 2 ½"x 2" N°2 centrifugal pump.

The pulp density fed to the cyanidation circuit is 1250-1280 gr/lt (gram per liter) , with 35.13% solids, specific gravity of 2.65 reaching a liberation degree of 72 % - 200 mesh.
The dosage of reagents (sodium cyanide and caustic soda) is prepared at 10%, following safety standards, avoiding manipulation of personnel with the reagent.

SODIUM CYANIDE PREPARATION:
Cyanide preparation begins with the transport of the big-bag 1 MT (metric ton) of cyanide by forklift to the 12 m3 capacity cyanide preparation agitator tank. Barren solution is fed to the cyanide agitator tank and the pH is strictly controlled from 11 to 11.5, with caustic soda (NaOH) to avoid the formation of HCN (cyanide gas) by hydrolysis of cyanide, then the big-bag is dropped into the feeder and a blade system opens it, then the barren solution is leveled to obtain the cyanide solution at a concentration of 10%. The cyanide solution is dyed colored in red.

CIP PROCESS:
The 10% NaCN solution plus caustic NaOH is fed to the primary mill 6'x5', 5'x5', 4'x5' and to the inlet of the 1st agitator tank 19'x19'.
In this CIP process the concentration of free cyanide, pH, is controlled every hour from 19'x19' N°1 to 12'x15'N°6.
NaOH is used to counteract the harmful effect of the "insoluble" and later to neutralize the "washing" solution of the chemical reactivation of the activated carbon.

LEACHING:
The Landsky´s undersize is pumped with a 2 ½" x2" N°3 pump to the 19' x19' N°1 leaching agitator tank. At the entrance of this tank frequent samples are taken to be analyzed for Au, Ag, Cu. Here there are 4 agitators' tanks,19'x19', located in series, where Au and Ag are dissolved with a residence time of 28.45 hours.

ADSORPTION:
The N°4 leaching agitator tank discharges, by gravity, to a battery of 6 agitator tanks, 12'x15', which contain activated carbon for the recovery of the gold dissolved in the pulp in a proportion of 57 Kg/m³.
There are 06 agitator tanks, 12'x15', of adsorption with activated carbon, codified from A-1 (the oldest) to A-6 (the most recent), with a total residence time of 13.25 hours. For this purpose, a 2 1/2" x 2" passage pump has been installed to drive pulp to the 12'x15'N°6 agitator tank. The total residence time in the CIP process is 41.70 hours.

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FILTRATION:
The final tailings pulp is sent to the filtration plant, where it is classified in 02 D-4 hydro-cyclones. The fine fraction (overflow) is diluted to 10% of solids and sedimented in a vertical thickener and at a density of 1500 g/lt is joined with the coarse fraction, underflow of the D-4, which are mixed in a 19'x19' "Retention" agitator tank from where it is fed to the filter presses N°1 and 2. For thickening, MT 4302 flocculant is used.

The final tailings (solids) or "cake" with 15-19% moisture is evacuated by front loader and dump trucks to a standard tailing's storage facility # 3.

III. Alcohol Desorption Plant:

1. DESCRIPTION:

The scope of the 3 MT (metric ton) CARBON PRESSURE DESORPTION PLANT is to recover Au and Ag from the loaded carbon coming from the CIP plant. The loaded carbon is received at the plant in a reception tank called rich carbon tank, from where it is sent through a system of eductors to the desorption reactor, depositing the carbon with Au and Ag values, the desorption reactor is a stainless steel column with thermal insulation and supports a certain pressure.

1.1 The carbon coming from the CIP process harvesting sieve is received in a rich carbon tank, the volume of the carbon batch is verified; after washing with recirculating industrial water, all the carbon is transferred to the desorption reactor by means of a carbon transfer pump, also using an eductor.

1.2 When the desorption reactor containing the rich carbon is completely closed and sealed, the solution is pumped from the strip solution tank, passing previously through heat exchangers, where one of them (tubular heat exchanger) operates with thermal oil and in circuit with a boiler, in which the thermal oil is heated and this in turn indirectly heats the strip solution up to 100 °C (centigrades). This hot solution is recirculated upwards through the desorption reactor for 24 hours. The working pressure in the reactor is 40 psi (pound square inch).

1.3 The objective of this stage is to recover the gold contained in the carbon and to obtain a volume of rich solution that can be processed in the electrodeposition cells.

The strip solution prepared with 2.5% caustic soda, 0.1% sodium cyanide and 5% alcohol, is pumped from the strip tank to the heat exchangers where it is preheated, passes through a coil where its temperature increases, then enters the lower part of the desorption reactor, passes through the carbon at a speed of 0.60 m/min (meter per minute) and exits through the upper part of the reactor, then it is driven to the plate exchanger # 2 where it loses temperature and finally closes the circuit returning to the strip tank. The heating of the system lasts approximately 8 hours.

Then the solution is injected into the electrolytic cells, previously this solution has been cooled to 70 °C in the plate exchanger # 3, thus completing the desorption-electrodeposition circuit, this process lasts approximately 24 hours, where the operating conditions in the reactor are maintained, temperature 100 °C and pressure 40 psi, in turn the solution entering the reactor has a flow rate of 12.8 m3/h and the electrolytic cells work in parallel with a flow of 6.4 m3/h per cell. Once the desorption-electrodeposition process has started, samples are taken from the inlet and outlet of the electrolytic cells to monitor the process and the kinetics of both desorption and electrodeposition. Sampling is done every 2 hours and the samples obtained are taken to the Chemical Laboratory for analysis for Au and Ag.

1.4 The pregnant solution leaving the desorption reactor at a flow rate of 12.8 m3/h at a pressure of 40 psi and a temperature of 100 °C must pass through a cleaning filter prior to the electrodeposition stage. These filters have the function of trapping any sediment or fine particles that may interfere in the process or deteriorate the control accessories in the circuit. Duplex filters are usually used, which, as their name indicates (double basket), have the advantage of continuous operation since the flow of the eluted solution does not stop to clean the screens. In our case, in order to improve the quality and achieve an adequate casting of the eluted solution, the use of an adequate mesh is required to optimize the purity of the solution in transport, avoiding interruptions for cleaning or repair, since an integral valve and basket system is used to maneuver the change of the flow from one basket to another.

1.5 Having defined the recirculation flow of the desorption solution, as well as the working temperature in the desorption process, it is required to design the strip solution heating system. For this case we rely on the current flow diagram presented with the arrangements of plate heat exchangers (desorption solution - oil and pregnant desorption solution - desorption solution strip). These plate heat exchangers have the facility for cleaning when the desorption solution presents fine carbon and/or carbonates that foul the heat transfer plates; however, this problem is minimized with the addition of antiscalant/ dispersant to the circuit.

The design was developed following a technical engineering model in order to calculate the number of plates of each heat exchanger, the required thermal oil flow, heat lost/gain in exchanger # 1 (larger size), exchanger # 2 and exchanger # 3, LPG (Liquefied Petroleum Gas) gas requirement - B5 oil, gas composition at the stack outlet and other control parameters.

The exchanger model validated for the operating conditions, as well as the heat exchange balances is defined in the development of the detailed engineering of the process. With the heat exchangers already defined, the size and capacity of the oil heater was defined. This oil heater operates with a dual system: LPG gas and B5 oil.

The heat produced from the combustion of the oil heats the mobiltherm ™ 605 thermal oil and this in turn will heat the strip solution in the tubular heat exchanger by conduction. The model is intertwined with the calculation of the heat exchangers since the design of the heat exchangers defines the oil flow as well as the desired oil temperature.

The objective is to obtain the required amount of oil, for this it is necessary to perform the heat balance in the system according to the heat required to reach the operating temperature in the strip solution.

1.6 To recover the Au and Ag values from the activated carbon, a sodium cyanide solution at a concentration of 0.1% and with a pH greater than 13 is used. The strip solution is prepared in a 2.0 m3 tank, to obtain the target pH, a caustic soda solution, previously prepared in the preparation tank, is added. The preparation protocol of the strip solution is of utmost importance to achieve an efficient elution in the desorption reactor. In this sense, the preparation of sodium cyanide and caustic soda to be used will be defined by a calculated preparation volume.

1.6.1 The strip solution tank receives the intermediate solution or strip solution coming from the desorption reactor at a BV/hr (bed volume) flow rate of 12.80. The capacity of the tank where the strip solution will be stored is determined by a BV factor of 2.5, so the capacity of the strip solution tank is 16 m3. The efficiency of the desorption process fluctuates between 95% to 99% in recovery of Au and Ag values.

At the end of the desorption process, the boiler burner is turned off and the solution is left recirculating in the system to reduce its temperature to below 80° C. The reactor is then drained, and the carbon is transferred to the secondary washing tank where chemical reactivation with hydrochloric acid will be carried out.

1.7 The strip pregnant solution leaving the desorption reactor at a temperature of 100 °C enters the plate heat exchangers # 2 and # 3 in that order respectively, decreasing the temperature of the solution to 70 °C, after which the solution is injected into the electrolytic cells, which are composed of stainless steel anodes and cathodes with stainless steel frame and coated with stainless steel knitted mesh, in addition the electrolytic cells each work with a current rectifier, finally each cell operates under the following parameters: 3.5 V and 800 A, however it should be noted that the amperage varies depending on the concentration of the electrolyte, thus achieving the electrodeposition of the Au and Ag values on the stainless steel mesh of the cathode.

1.8 Once the electrodeposition is finished and using pressurized water, the cathodes of the electrolytic cells are washed, in which the precipitate containing the gold and silver has been electrodeposited. Once the cathodes are completely washed, the tanks of both cells are also washed, all the electrolytic sludge is conducted towards the sludge box, where in parallel and by means of a pneumatic pump the electrolytic sludge is sent towards the press filters. Finally, after washing the tanks of the cells, rinsing the same sludge box, having all the precipitate already in the filter press, the precipitate is dried by injecting air.

1.9 After washing and filtering, the precipitate is placed in a retort furnace to extract the mercury from the precipitate, and since this furnace operates at a temperature of 600 °C, the precipitate is finally drying. The retort furnace has a capacity of 45 kg and the retorting time is variable depending on the mercury content. For our operation, the retort furnace operation time is estimated at 18 hours.

1.10 After the precipitate is removed from the retort furnace completely dry and free of mercury, it is mixed with the fluxes in defined proportions, the fluxes are : borax, sodium carbonate, sodium nitrate, silica and fluorospar. Then all the mixture of precipitate and fluxes is filled in plastic bags to be placed inside the tilting melting furnace, this furnace has a burner that works based on diesel type B5. The operating temperature in the smelting of the electrolytic precipitates of Au and Ag is approximately 1250 °C. Finally, it is at this stage and at the defined conditions, that the doré bars (ingots) are obtained.

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Auditor's Finding

This operation is:

X in full compliance
□ in substantial compliance *****(see below)
□ not in compliance

with the International Cyanide Management Code.

"This operation has not experienced any compliance issues during the previous three-year audit cycle".

***** 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 (not applicable).

Audit Company: NCA Brasil Expert Auditors Ltd. (www.globalsheq.com)
Audit Team Leader: Celso Sandt Pessoa
E-mail: celsopessoa@ncabrasil.com.br or celso@globalsheq.com (ICMI qualified lead auditor, since 2006, and TEA (Technical Expert Auditor).
Names and Signatures of Other Auditors: none

Date(s) of Audit: 18 ~22/04/2022 (on-site), 26 ~ 28/06/2022 (on-site) and 05 ~ 07/09/2022 (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 Practice1.1: *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:
X 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:

The operation buys solid NaCN from AGR Pty., where AGR means Australian Gold Reagents, an ICMI (where ICMI means International Cyanide Management Institute) certified Australian cyanide producer, in accordance with the information available at ICMI´s website. The operation does not buys the NaCN direct from AGR Pty, but through Quimtia S.A Perú (Callao warehouse), listed as a certified cyanide producer and was replaced by Quimtia S.A Perú (Eucaliptos warehouse), audited in June 2022 and ICMI certified since 15/11/2022.

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:
X 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:

The transportation documents (guias de remesa) issued by the Peruvian cyanide producer (Quimtia S.A Perú) and the transporter (Edewit S.R.L) are retained by the operation. Reviewed such transportation documentation, between 2019 and 2022, in this opportunity.

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The cyanide producer provides documentation (e.g: statement of origin, quality certificate and statement of supply chain) to the operation indicating the cyanide produced by AGR Pty. Australia was transported by AGR Pty Supply chain (Australia Supply Chain, Ocean Freight Supply Chain and Central and South America Supply Chain), all certified as evidenced at ICMI´s website. The transport of cyanide between Callao port and Quimtia warehouse is performed by Mercantil S.A, a Peruvian transporter also certified by ICMI, in accordance with ICMI´s website. The Peruvian transporter, Edewit S.R.L, is an ICMI certified transporter as evidenced at ICMI´s website. AGR Pty. Supply Chain and Quimtia are certified by ICMI, as previously mentioned. The transport of cyanide between Callao port and Quimtia warehouse is performed by Mercantil S.A, a Peruvian transporter also certified by ICMI, in accordance with ICMI´s website. The transport of cyanide between Quimtia warehouse and the mining operation is performed by Edewit S.R.L, an ICMI certified transporter in accordance with ICMI´s website.

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:
X in full compliance with
□ in substantial compliance with Standard of Practice 3.1
□ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

There is one NaCN storage warehouse designed and constructed in accordance with Peruvian Engineering standards. The warehouse remains unchanged since 2019 and is inside the fenced area of the process plant. The cyanide mixing and solution storage facilities were also designed and constructed in accordance with Peruvian Engineering standards. Design and construction documentation are retained by the operation. The cyanide mixing and solution storage facilities are located away from people, inside the same fenced area as above mentioned. The operation does not use liquid cyanide solution. Only uses solid NaCN briquettes. The solid NaCN boxes are unloaded over concreted floor. In the event of any incident during unloading or internal transport between the warehouse and the preparation tank, the recovery, with plastic shovels and plastic brushes, is very simple. All process tanks are provided with level sensors, which are maintained by the operation (they are included in the instrumentation preventive maintenance plan).

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All process tanks volume is not used 100%. Alarm 1 is 85% and alarm 2 is 90%, as evidenced during the audit at control room. All process tanks are installed inside concreted secondary containments over a concrete base, as evidenced during the field audit and in the design documentation.

All secondary containments are constructed of structural concrete and process tanks are constructed, according API 650 standard (where API means American Petroleum Institute), of carbon steel. The solid NaCN boxes are stored inside specific designed warehouse, under a roof and off the concrete ground (over pallets), as evidenced during the field audit. The warehouse was evidenced to be kept dry. The warehouse was designed and constructed with natural ventilation and exhaustion systems (fenced wall), as evidenced during the field audit and reviewed design and construction documentation. The warehouse is constructed inside the plant fenced area, with restricted access (only authorized personnel is allowed to enter these areas), with security control, and the warehouse is locked with lockers. The warehouse is used specifically to store solid NaCN boxes. No other products are allowed to be stored in this warehouse. The cyanide mixing and solution storage facilities are located inside a fenced area, with restricted access and in a well-ventilated area, as evidenced during the field audit.The cyanide mixing and solution storage facilities are located inside a fenced area and separated from other materials (there are no other materials inside the secondary containments where the cyanide solution preparation and distribution tanks are installed. Both tanks are constructed of carbon steel which offer an affective barrier to avoid the contact of cyanide solution with other not compatible materials.

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:
X 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:

After use, the two big bags are neutralized into specifically construct tanks fulfilled with hydrogen peroxide (10%) solution. After neutralization is complete (after 24 hours), the big bags are washed and dried and disposed into de NaCN wooden boxes that are sent for final disposition at an approved environmental services supplier. The sea container returned to the NaCN producer (Quimtia) is inspected, cleaned (brushed) and sealed, before returning to the above-mentioned stakeholder.

All pumps, tanks, secondary containments, are included in the operation preventive maintenance plan.

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The operation does not use hoses and couplings for mixing solid cyanide. Related to valves, the operation replaces any potentially defective valve by a new one because it is cheaper and better to make that than to have a preventive maintenance protocol for them.
Related to the valves installed in the cyanide solution preparation tank and at the cyanide solution distribution tank, their operation instructions are addressed at a documented work instruction, indicating the correct sequence to open and close that valves. During the field audit, a preparation of a cyanide solution batch was evidenced, as well the transfer of such cyanide solution batch to the distribution tank.
All NaCN boxes are handled with the help of forklifts, operated by qualified operators. It was evidenced, during the field audit, that all NaCN boxes are kept in order, without puncturing or rupturing. The stacking limit is three boxes, according to the producer instructions. This was evidenced during the field audit. Evidenced, during the field audit, that the cyanide solution preparation area is kept clean. The operation´s safe work procedure requires that after the preparation of cyanide solution, the preparation area must be washed and cleaned and kept in order and cleaned, as evidenced during the field audit.The cyanide solution preparation is always performed by two operators. Specific PPEs are defined to be used during the NaCN solution preparation.
All cyanide solution preparation steps are defined in a documented safe work procedure. Evidenced, during the field audit, the preparation of one NaCN solution batch. AGR already supplies solid NaCN with dye colorant (light red), as evidenced during the field audit.

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.*

The operation is:
X 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:
The operation designed, documented, implemented and maintains a SHEQ (Safety, Health, Environmental and Quality) management system which includes the management of cyanide.

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The system includes operational procedures such as reception, storage and handling of solid cyanide, cyanide solution preparation, CIP operational control, TSF (Tailings Storage Facility) operational control, decontamination of cyanide installations prior to maintenance activities, working at confined spaces, among others and management procedures such as change management, incident reporting and investigation, water balance management, emergencies and crisis management, communication management, among others. All operational documented procedures are based on the design premises and were updated along the time, in accordance with the change management procedure. Legal requirements are also addressed at the operational and management procedures. Such design premises include the required freeboard for process ponds, the design storm events for process effluents ponds and the concentration of cyanide in these process ponds. The operation´s tailings storage facility (relavera) is designed to receive dry tailings. All operational and management procedures describe specifically the actions to be done in order to achieve the planned results. Hazards, risks and operational controls are addressed in the operational procedures. The required PPEs and prework inspections are also addressed in such operational procedures (or safe work procedures). The preventive maintenance management system and the maintenance inspection management system are included in the documented management system. The operation designed, documented, implemented and maintains a change management procedure which is applicable to several types of changes such as engineering changes, employees' changes, documentation changes among others. The change management procedure demands the participation of different stakeholders in order to review the proposed change, always including representatives of the environmental, health and occupational safety processes. It was evidenced that the change management procedure was adequately implemented during the design and construction on the new elution process installations, performed in 2020. The operation developed a contingency plan related to the management of any upset in the water balance, in the dry season and in the rainy season. There were no such of upsets in the water balance in the last three years. Any problem related to monitoring results (e.g: free cyanide content in surface waters) or detected during process plant inspections (e.g: pump leakages) are managed through the corrective actions management process. In the last four years there were no environmental monitoring nonconformances. Minor mechanical problems were evidenced during maintenance inspections and corrective maintenance orders were issued and timely implemented. The operation developed and implemented a crisis management plan. There were no crisis situations in the last three years. Related to temporary closure, the potential measures will include (but not limited to) the maintenance of the agitators of the leaching tanks, without leaching (no addition of cyanide solution on the leaching process). A second option will discharge the pulp being leached to the two process ponds (or pools), that are kept empty for this purpose). If necessary, all stored solid NaCN will be sent back to Quimtia or sold to another mining operation. In the event of cessation of operation, the operation´s closure and decommissioning plan (please refer to Standard of Practice 5.1) will be implemented. The operation defined, documented and implemented specific inspection checklists focused on the process plants installations.

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Records of such inspections are retained by the operation. Reviewed inspection records performed between 2019 and 2022. The inspections are performed per area and includes all the installations included in that area (e.g: tanks, secondary containments, valves, pumps, piping, instrumentation). All cyanide containing tanks are inspected on a monthly basis. The inspection scope is focused on corrosion signs, leakages, pipelines, joints, valves and structural integrity. It is an integrated inspection, including the secondary containment, the tanks concreted base. Records of such inspections are retained and were reviewed during this opportunity. During the field audit, it was evidenced that those installations are well maintained. As previously mentioned, the inspection of secondary containment, for tanks and piping, are included in the monthly inspection scope. During the field audit, it was evidenced that such installations are well preserved. The TSF is inspected on a regular basis and all quality and operational aspects of the TSF (Tailings Storage Facility) are inspected, in accordance of the Peruvian laws. It is important to note that the tailings are deposited almost dry, as a cake, and compacted. Records of such inspections are retained by the operation. Inspections results performed between 2019 and 2022 were reviewed. The results showed that the TSF is well maintained. Major problems were not identified. Pipelines, pumps and valves are included in the inspection scope. All cyanide installations are included in a preventive maintenance program, and inspections are performed in order to confirm the effectiveness of the preventive maintenance program. The TSF is inspected on a regular basis in accordance with the Peruvian laws for this type of installation wet (15%~18% moisture) cake disposition, as previously mentioned. Cyanide containing installations (tanks, pipes, pumps, valves, secondary containment) are inspected on a monthly basis, in between preventive maintenance activities. Inspection checklists were developed and implemented. Related the two process ponds (or pools), both are kept empty and covered with nets and are used in the event of contingencies, emergencies or crisis, such as the temporary cessation of activities. Anyway, the inspection of such facilities is included in the operation´s inspection program. The inspection results are recorded in this checklist, that are retained by the operation in accordance with the quality records management procedure. The checklist addresses the quality aspects to be inspected and the acceptance criteria to be observed. If opportunities of improvement are identified, corrective or preventive maintenance orders are issued and implemented. Such cases were evidenced during this opportunity. Corrective maintenance orders are issued when the inspection result demands one. All corrective maintenance orders are dated and, when concluded, are retained by the operation. Some corrective maintenance orders issued between 2019 and 2022 were sampled and reviewed during this opportunity. The operation designed, documented, implemented and maintains a preventive maintenance program focused on tanks, pipelines, pumps, valves, secondary containments and instrumentation (e.g: pHmeter, HCN detector, level transmitter). The frequency of preventive maintenance is variable. In my professional experience, the defined preventive maintenance frequency is adequate to maintain the process installations in a safe way. Records of preventive maintenance orders performed during the last three years were reviewed.

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It was evidenced that the operation has emergency power resources (diesel generator) to operate pumps and other equipment (e.g: agitators) to prevent unintentional releases and exposures in the event its primary source of power is interrupted (the operation has one Cummins diesel generator of 800 Mw (megawatt). The back-up power generator equipment is covered by a preventive maintenance program (annual) and inspections. The generators are turned on every two weeks. Records of such activities are retained by the operations and were reviewed during this audit.

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:	**X** in full compliance with □ in substantial compliance with □ not in compliance with □ not subject to	Standard of Practice 4.2

Summarize the basis for this Finding/Deficiencies Identified:
Cyanide solution is added during the milling phase and the operation has strategies to minimize the use of cyanide. The operation conducts a program to determine appropriate cyanide addition rates and optimize gold recovery. This program is based on metallurgical tests (bottle testing/ agitation leaching) and is performed in accordance with the ore quality that will be leached, by the operation´s Metallurgical laboratory. Cyanide consumption metrics are defined and the results until June 2022 indicates that the planned results for cyanide consumption will be reached.

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

The operation is:	**X** in full compliance with □ in substantial compliance with □ not in compliance with	Standard of Practice 4.3

Summarize the basis for this Finding/Deficiencies Identified:
Minera Yanaquihua developed a comprehensive, probabilistic and dynamic water balance system, focused on the process plant, which includes the reference to the design assumed inputs and outputs, and the real inputs and outputs. The water balance is managed and monitored on a daily basis, in accordance with the water balance model defined as follows:

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Peak Flows and Levels:

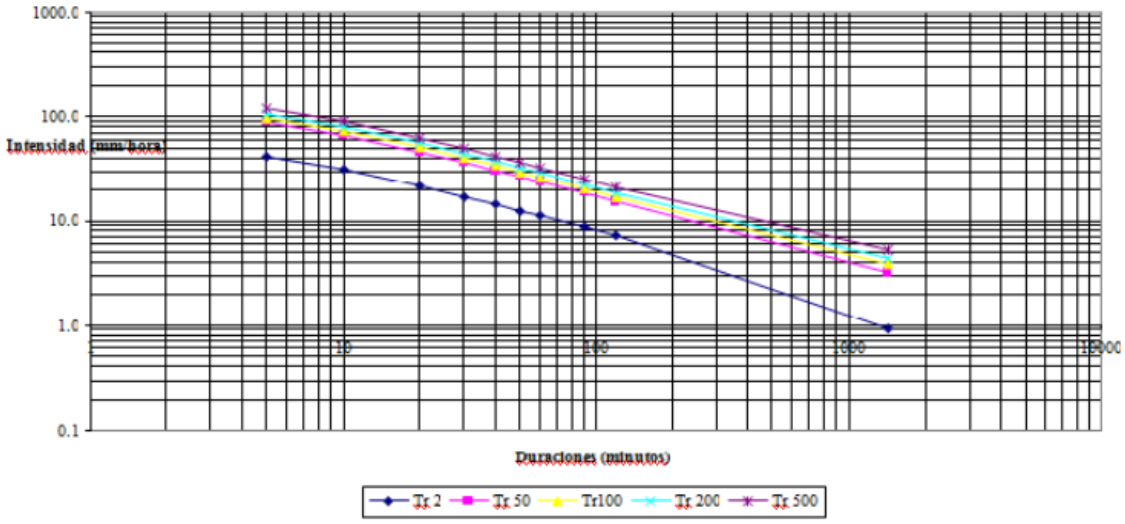
24-hour maximum precipitation.

The value of the maximum 24-hour precipitation (P24) and 500 years return was selected.

P24 = 130.48 mm / day.

Duration / intensity curve was calculated return period, as shown in the following figure:

Figura 4-5: Curva de Intensidad – Duración – Período de Retorno



Fuente: MYSAC, 2016.

Direct Precipitation:

The study area is characterized by its dry climate. The Yanaquihua station for a series of 43 years, there is an annual average of 147 mm. Year 1984 appears as the wettest with 469 mm of precipitation and the year 2021 was the drier with just 0.15 mm precipitation recorded in the month of December.

Evaporation:

In the study evaluation of the National Hydroelectric Potential (LahMeyer Consortium-Salzgitter LIS, 1980) an analysis of the evaporations observed in the Perú, defining 7 (seven) evaporation regions, for each one some curves are proposed envelopes that relate altitude to evaporation, the zone of operation would be located in region 4 corresponding to 2650 m.s.n.m. (mean meter above sea level) a range of annual average evaporation of 1500 to 1900 mm. The evaporation records of the Pampilla meteorological station in the city of Arequipa were taken as reference.

This gives an annual average of daily evaporation of 5.23 mm.

Water retained in voids:

No water is retained during the process of the plant because no deposition from pulp is performed in the circuit.

Table of water balance in 250 TMD (metric ton per day) Process Plant (water balance of the tailings).

Water Entry:

Process Plant Water Balance Table for 242.68 TMHD

	AVERAGE	UNITY
DAILY PRECIPITATION	0.403	mm
TOTAL TANK AREA	168.41	m2
PRECIPITATION VOLUME	0.068	m3
Barren solution feed to 6' x 5' mill	57.80	m3
Barren solution to 6'x5' mill discharge	**115.12**	m3
Solution barren to 5'x5' mill discharge	143.46	m3
Solution sweep to mill discharge 4' x 5'.	179.53	m3
Water seal pumps (barren solution)	10.00	m3
Total barren solution used	505.91	m3
Landsky Screen cleaning water	5.30	m3
Pile watering	4.00	m2
Fresh water -Tire washing	4.00	m3
Ore moisture	6.05	m3
Water Tarp cleaning	10.87	m3
Harvest washing (daily average)	3.20	m3
Water Cleaning of operating areas	4.87	m3
Desorption Plant (daily average)	**5.70**	m3
Total water used from Piñoc creek	**43.99**	m3
TMS (dry metric ton)/day	236.49	TMS
%Humidity filtered tailing	17.5	m3
Water lost in filtered tailings	**41.39**	m3
Daily evaporation	5.24	mm
TOTAL TANK AREA	168.41	m2
Evaporation volume	0.88	m3

Tailing transport:

The process of evacuating pulp from the tanks to the Filtration Plant is done through pipelines. The data considered for the evacuation was as follows:

		UNITY
Weight of ore to be removed	236.49	Ton/day
%solid	17.5	%
Weight of water in the pulp	41.39	Ton
Water density	1	Ton/m3
Water weight in filtered tailing	**41.39**	m3

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Retained water:

The pulp density resulting from the leaching tanks is 1.281 ton/m3 which gives us a solid percentage of 35.27%, this pulp is discharged through pipes to the filtration plant. The pulp by gravity passes through the cyclone nest, from this classification the underflow is discharged into the retention tank. The overflow of the dilute with solution sweeps and enters the thickener where the overflow enters the reclaimed water tank and the discharge is conveyed to the holding tank.The slurry from the holding tank is conveyed at high pressure (100 psi) and enters the filter press. At the end of the filtration process, a clarified solution is obtained, which is diverted to the filtered water tank and when the filter is opened, the tailings are discharged in the form of a cake with a moisture content between 15 and 18%.

Table of water retained by tailings filtering per day:

% solid in tailings	82.5	
tailings specific gravity	2.65 m3 /Ton	
water content in the cake	0,164 m3/Ton (tailing)	100%
remained water	0.087 m3 /Ton (tailing)	17.50%

According to the calculations at the above table, the water released from the tailings will be 41.39 m3 /day. The water retained in the tailings will be emptied in the 464.52 m3 /day tailings (BARREN SOLUTION), which is 91.82% to 505.91 m3 /day.

Leaks:

The whole base of this tailing deposit is waterproofed with a layer of geomembrane, which prevents any type of filtration in the area.

Water recirculation:

For the calculation, both precipitation and evaporation in the area are considered (the data of an average day).

Water input	Average Amount	Unit
Daily precipitation	0.403	mm
Tank total area	168.41	m2
Precipitation volume	0.068	m3
Water volume in tailings	464.52	m3
Total incoming	464.59	m3
Water output		
Evaporation	5.23	mm
Tank total area	168.41	m2
Evaporation volume	0.88	m3
Water input - Water output	**463.71**	m3
Recirculation flow	5.37	l/seg

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According to the above table it can be understood that the returned water (Barren solution) process is of the order of 91.82% and 8.18% is the addition of fresh water in the area of Piñoc creek. The rates at which tailings are deposited at the TSF is considered in the model, as above mentioned. The model considers the storm rain return of 500 years/ 130.48 mm/ 24 hours (0,2% probability to fall during the **life of mine** (LoM = 2028). The operation has the precipitation and evaporation data since 1979. The calculated precipitation volume resulting from surface run-on from the up-gradient watershed is lower than the available free volume (two contingency/ emergency pools) at the operation. The freezing potential is nil. The solution losses in addition to evaporation, such as the capacity of decant, drainage and recycling systems, allowable seepage to the subsurface has no significant impact on the water balance. There are no discharges to surface water (the operation works on a closed circuit). The operation has a power backup system that provides sufficient energy to maintain the pumping and agitation system working. The process plant pumping system has a redundancy of two pumps. There is no leach pad at the operation. The operation does not release effluents on surface waters. No other aspects are considered in the water balance model. The operation has enough available volume (contingency/emergency pools) enough to retain all calculated storm rain amount. The contingency/ emergency pools and the TSF are inspected on a regular basis as previously mentioned. The operation monitors precipitation and evaporation and compares with the historical values. It was observed that the rain profile is decreasing along the years and the evaporation profile is increasing.

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

The operation is:
X 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:

All the operation perimeter is fenced. The amount of WAD (Weak Acid Dissociable Cyanide: An operationally defined group of cyanide species that undergo dissociation and liberate free cyanide when refluxed under weakly acidic conditions (pH 4.5~6)) cyanide in the effluent inside the two process/ emergency pools (most of the time both are empty, and they are covered with net, as evidenced during the field audit). WAD cyanide is maintained below 50 ppm. The operation developed and implemented an environmental monitoring plan (refer to Standard of Practice 4.9), which includes the monitoring of the open waters. The monitoring frequency is defined in accordance with the environmental permits hold by the operation.

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Reviewed monitoring results between 2019 and 2022 for WAD cyanide all results at the two process/ emergency pools are below 50 ppm. Both pools are covered with a net, as evidenced during the field audit. Both contingency/ emergency pools are covered with net and kept most of the time empty and wad cyanide is kept below 50 ppm. The pools are inspected on a weekly basis and there were no cases of fauna/ wildlife mortality in the last three years. The operation has no leach pads.

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

The operation is:
X 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:

There is no direct discharge of process effluents on surface waters. The operation operates in a closed circuit (effluent recirculation). This was evidenced during the field audit. There are no surface waters in the surroundings of 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:
X 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:

Beyond the dynamic water balance management, where dewatering is not a critical aspect that could impact the water balance and, consequently, the underground water quality, the operation monitors the quality of ground water on a regular basis, in accordance with the Peruvian laws and environmental permits. The operation installed three piezometers around the process area, in different depths. The operation monitors the content of WAD cyanide (according to the Peruvian law, CNw (wad cyanide) content must be < 0,1 ppm) in underground waters taking samples in all piezometers installed by the operation. All results between 2019 and 2022 are below 0,001 ppm (not detected). The operations do not use tailings as backfill, as evidenced during the field audit. There were no impacts on the underground water between 2019 and 2022. The operation is located downgradient of the Yanaquihua town.

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

The operation is:
X 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:

All process tanks are constructed inside secondary containments, made of structural concrete, as evidenced in the design specifications, construction records and during the field audit. All the secondary containments are designed to hold 115% of the biggest tank volume inside the containment plus the storm rain return, which probability is 0,2% during LoM. All secondary containments are provided with automatic floor pumps, inside a sump. All effluent collected inside a secondary containment is pumped back to the process tank. Evidenced this system during the field audit. All cyanide containing pipelines and joints have a secondary containment in order to avoid any spillage or leakage. It was evidenced two types of containment, the first one a pipe inside a pipe, for pressurized pipelines and half pipeline containment for non-pressurized pipelines. This was evidenced in design documentation and during the field audit. There are no cases where cyanide containing pipelines are a risk to surface waters. All cyanide containing tanks are constructed of carbon steel and pipelines, depending on the diameter are made of carbon steel or HDPE. Evidenced through the design documentation and during the field audit.

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:
X 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:

The operation has a library where the design and construction documentation related to the process plant are stored. There were no substantial changes in the configuration of process since 2019. Please refer to the previous audit reports too. During this opportunity, only some specific design and construction documentation was reviewed, such as CIP tanks and secondary containments and the new elution process installation. As previously mentioned, the process plants did not suffer major changes in its configuration since 2019. Soil compaction test records, welding procedures and records, material specifications and quality records are still retained by the operation.

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Quality assurance documentation for the new elution process installations is retained by the operation and was reviewed in this opportunity (partially, because the new desorption column was not yet commissioned during this audit). Commissioning records and as-built documentation, for process plant are still retained by the operation. Since the operation first certification, the design and construction documentation related to process plant are retained by the operation. Please refer to previous audit reports.

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:
X in full compliance with
□ in substantial compliance with
□ not in compliance with
Standard of Practice 4.9

Summarize the basis for this Finding/Deficiencies Identified:

It was evidenced that the operation, in accordance with the Peruvian law, an environmental monitoring plan (Plan de Monitoreo Ambiental 2022 (16/04/2022)), which addresses the monitoring of water quality (open and underground). Please refer to Standard of Practices 4.4 and 4.6, respectively) and the local fauna and flora. All monitoring activities (water and wastewater analysis) are performed by SGS del Perú S.A.C, an ISO 17025/2017 accredited laboratory (INACAL Perú/ Instituto Nacional de Calidad), where all analytical protocols where developed and approved by qualified professionals. The analytical protocols are based on the Standard Methods for Water and Wastewater (23rd edition). All sampling activities are performed by SGS Perú technicians in accordance with accredited protocols for sample preservation, environmental conditions, sample identification, cyanide types to be analyzed, handling and transporting procedures and custody records. The sampling points are defined at the operation´s environmental operational permit, issued by the local environmental protection agency (ARMA/ Autoridad Regional de Medio Ambiente - Arequipa). Quality assurance requirements are in place due to fact that SGS laboratory is an ISO 17025 accredited one. As previously mentioned, all environmental conditions/ aspects, during sampling activities, are recorded in the sampling form. Sampling records, including the custody record, are retained by the operation and were reviewed during this opportunity (refer to SoP (Standard of Practice) 4.4, 4.5 and 4.6)). The monitoring frequencies are defined by the local environmental agency (ARMA/ Autoridad Regional de Medio Ambiente - Arequipa).

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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:	**X** in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 5.1

Summarize the basis for this Finding/Deficiencies Identified:
The operation, in accordance with the Peruvian mining legislation, developed, documented and approved (2021) the operation decommissioning and closure plan, which is divided in three phases. Basically, the decommissioning plan addresses the activities related to neutralization of the cyanide installations, rinsing of neutralized cyanide installations, dismantling such installations and disposal of the removed installations. All effluents generated by these activities shall be monitored in order to determine the content of cyanide. The decommissioning and closure plan define the implementation schedule for the operation, considering the **life of mine** (LoM) the year of 2028. The closure plan must be updated, at least, every five years. Last update was in December 2021.

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

The operation is:	**X** in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 5.2

Summarize the basis for this Finding/Deficiencies Identified:
The operation calculated the value to implement the closure plan by a third party. The estimated value is in accordance with the actual values of the activities that shall be performed to decommission, dismantle and close the operation. Such value was approved by the Peruvian environmental protection agency. The estimated value is annually updated. The closure plan cost estimate is annually updated. Last cost update was in December 2021. According to the Peruvian legislation (laws # 28090 and 28507), the operation must have financial guarantees, issued on behalf of Regional Public Authority (Gobierno Regional de Arequipa). This legal requirement is still is implementation and, at the moment, the operation has budgeted its own financial guarantees. The operation, at the moment, has a self-guarantee financial assurance mechanism, which is annually audited by independent and qualified third-party financial auditors. Reviewed financial reports related to financial years finished 31/12/2019 and 31/12/2020.

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The audits were performed by BDO Associates Ltd. (Pierrend, Goméz y Asociados) and led by Mr. Victor Ovalle (Financial Auditor credential # 01-13397) and conducted in accordance with the International Accounting Standards (ASB) and Finance Information International Standards (NIIF). Auditors conclusions addresses that the provisioned values are adequate, and that the operation has financial health to implement the decommissioning and closure plan.

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.

	X 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/Deficiencies Identified:

The operation designed, documented, implemented and maintains a set of safe work procedures which includes operational and management ones, such as leaching operations, cyanide solution preparation, solid cyanide handling and storage, sampling activities, neutralization of cyanide containing installations before maintenance activities, elution activities, working at confined spaces. All safe work procedures clearly define the necessary PPE that must be used to perform an activity which involves cyanide. Pre-work inspections, such as PPE inspection, forklift inspection, crane inspection, fire extinguisher inspection, shower and eye-washer inspection, among others are addressed at the safe work procedures. Records of such inspections are retained by the operation and were reviewed during this opportunity. The draft safe work procedures are prepared by the plant operators who will perform that activity, reviewed by process supervisors and approved by a process engineer.

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.

	X 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/Deficiencies Identified:

The operation defined three ranges of pH that shall be observed during cyanide solution preparation (between 11 and 12), during leaching process (between 10.5 and 11) and during elution process (> 13).

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Verified during the field audit and through interviews with plant operators and supervisors that these values are kept under control. Also evidenced that the operation installed pHmeters in specific process tanks. Such pHmeters are included in the preventive maintenance plan, and pHmeters maintenance and calibration records were reviewed during this audit. Both types of HCN detectors are calibrated to alarm in two points: 2,5 ppm (supervision must be contacted) and 4,5 ppm (personnel must leave the area). The areas with such HCN generation potential (or cyanide dust), such as cyanide solution preparation tank, cyanide solution addition tanks, elution column, were identified and specific and adequate PPEs are mandatory to be used in such areas. Such areas are well identified as evidenced during the field audit. The operation installed fixed Drager HCN detectors in such areas and operators also use portable Drager HCN detectors. Both HCN detector types are included in the preventive maintenance and calibration program. Records of such activities are retained by the operation and were reviewed during this opportunity. Reviewed calibration records between 2019 and 2022. Safety signage and safety pictograms are placed in specific places in the process plants, including the solid NaCN warehouse, which are inside the fenced perimeter of the process plants. Safety signage includes information related to cyanide, the PPEs that must be used, that is forbidden to eat, drink and smoke in such places and also that open flames are not allowed. AGR Australia Pty. supplies solid NaCN briquettes with dye colorant. Evidenced dyed solution during the field audit (cyanide solution preparation activity). It was evidenced during the field audit that shower and low-pressure eye-washers are available in specific assigned places at the process plants. Such installations were tested during the field audit and worked adequately. The operation uses dry chemical powder fire extinguishers (ABC type) in the process plant area. Such fire extinguishers are annually maintained and monthly inspected by the occupational safety process. Records of such activities are retained by the operation and were reviewed during this audit. Fire extinguishers are also checked before some cyanide related activities (pre-work inspection). All process tanks are identified by colored marks (purple) and safety signage that cyanide is present. In the same way all pipelines containing cyanide are identified by color, safety signage and the flow direction identified. Evidenced during the field audit. AGR´s MSDS are available in the warehouse, in the cyanide solution preparation area and at process plants, documented in Spanish, as well as first aid procedures for cyanide intoxication and chemical burning, as evidenced during the field audit. The operation designed, documented, implemented and maintains and incident (real or potential) reporting and investigation procedure. There were no cyanide related incidents (real or potential) in the last three years. In order to confirm that the defined incident investigation procedure was implemented (as demanded by ICMI), it was reviewed a minor incident investigation report (potential), dated 27/01/2021, were an operation car was hit by a small rock (front glass), without victims. The incident was adequately investigated, where the causes were defined, preventive actions were defined and implemented, and seems to be effective because since then there were no incidents in such conditions.

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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:
X 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:

It was evidenced that the operation has first aid resources such as oxygen bottles, cyanokit and water, communication means such as radios and telephone, as evidenced during the field audit. The operation has an ambulatory located at the process plant, equipped with oxygen bottles, AMBU (Artificial Manual Breathing Unit), one EAD (external automatic defibrillator), radio, telephone and one ambulance. The medical team (per shift (14 days) is composed by one doctor and three paramedics. All medical resources are inspected and tested by the paramedics on a regular basis. Records of such inspections are retained by the operation and reviewed during this audit. All cyanide antidotes kits were evidenced to be adequately stored and within the valid date defined by the producer. The operation developed a first aid protocol (PEM-ALP-PL-01-04(4)) that includes cyanide intoxication and chemical burning. The operation has its own ambulatory (first-aid room), equipped with resources to attend workers exposed to cyanide. The operation has one ambulance that is able to transport stabilized workers to Yanaquihua Medical Center, or to Aplao Hospital or to Arequipa Clinic at San Juan de Dios. The Yanaquihua Medical Center, the Aplao Hospital and the Arequipa Clinic at San Juan de Dios were evaluated by operation medical team and, depending on the decision of the operation doctor, all three hospitals are adequate to be used in the event of a cyanide intoxicated or chemical burned worker, after receiving the first aid at the operation ambulatory.

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:
X in full compliance with
□ in substantial compliance with Standard of Practice 7.1
□ not in compliance with

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Summarize the basis for this Finding/Deficiencies Identified:

According to the Peruvian mining legislation, the operation designed, documented, implemented and maintains an emergency response plan (P-ALP-SE-04-05(5)). The emergency response plan was developed by different internal stakeholders such as process plant team, maintenance team, occupational health professionals, occupational safety team, environmental professionals and communicated to external stakeholders such as local Yanaquihua Hospital, local firefighters and Peruvian National police. Catastrophic release of hydrogen cyanide from storage, process or regeneration facilities scenario is addressed at the emergency response plan, mainly related to cyanide solution preparation and elution column process. The plan addresses the activities that must be performed in emergencies involving solid NaCN transportation inside the operation and in the vicinity of the operation. The plan addresses the response to emergencies related to releases during unloading and mixing. The plan addresses the response activities to be performed during fires, mainly in the solid NaCN warehouses and explosions (elution column). The plan describes the activities to be done in the event of pipes, valves and tanks ruptures. Involves maintenance and process teams. The operation´s TSF is dry (overtopping of ponds related emergencies is not expected). The two process ponds (or pools) were designed to retain the volume of the leaching tanks plus the storm rain event, without overtopping. The two process ponds (or pools) were designed to retain the volume of the leaching tanks plus the storm rain event, without overtopping. The operation leaching and filtration plants are provided with secondary containments, with 115% of the volume of the biggest tank inside the secondary containment (this includes the storm rain event, considered in the water balance model). In order to avoid overtopping of the secondary containments, the operation has two contingency pools, one at the leaching plant and the other one at the filtration plant. Both pools were designed to retain all the volume of the secondary containments, including the storm rain event. The effectiveness of this containment configuration (redundancy 2) is considered to be high, not requiring the operation to have a redundancy 3 configuration to manage potential overtopping of the secondary containments and the contingency pools. In my professional experience I considered this approach correct.

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The plan addresses the response activities to be done in the event of power outages (backup generator system) and pumps failures (redundancy two system). Uncontrolled seepage is not a critical emergency scenario for the operation. The plan addresses the response activities to be done in the event of failure of cyanide detox system (The operation detox system is based on the neutralization of the final pulp containing the tailings inside a tank, which is inside a secondary containment. After that, the neutralized tailings are sent to press filters to eliminate the liquid portion and the final dry tailings cake is disposed in the TSF. If the neutralization tank collapses or presents leakage, the tailings pulp will be retained inside the secondary containment which has a sump with a floor pump, that will be used to pump all the pulp back to another tank or to the ones of the process emergency ponds (or pools).

The plan has a specific direction related to failure of other cyanide related installations caused by potential earthquakes. The primary responsibility related to solid NaCN transportation emergencies is from the cyanide seller and transporter (Quimtia and Edewit, respectively). In the event of transport emergencies in the vicinity of the operation, the operation emergency response team will participate also. The cyanide boxes are transported within a 20´sea container. The plan addresses the activities to be performed related to the clearing of internal stakeholders (the first step is to reunite the site personnel in specific meeting points and then, under a brigade member orientation, to leave the operation) and also potentially affected communities. The plan addresses the use of antidotes, such as oxygen and cyanokit, and additional first aid measures. The plan was developed by different stakeholders, including the process plant and maintenance teams. During the audit, a theoretical drill was performed at the control room, involving one control room operator, one field plant operator and a mechanical maintenance technician. The drill result was in conformance with the planned activities (rupture of a cyanide containing pipeline). The plan addresses, where necessary, containment actions such as containing berms, assessment and mitigation action such as the use of calcium oxide to neutralize cyanide spillage and the review of the real or potential emergency (learning from incidents approach), resulting in the definition and implementation of corrective and preventive actions.

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

The operation is:
X 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:

The plan was developed by different internal stakeholders and submitted to external stakeholders such as Peruvian National police, firefighters, Yanaquihua Hospital and local community representatives (e.g: Ispacas, Alpacay y Charco), during specific planned meetings (refer to Principle # 9). The plan includes several external stakeholders such as Yanaquihua Hospital, Peruvian Professional Fire Fighters and Peruvian National police. In order to maintain the emergency response plan updated, the same process previously mentioned is observed. Different stakeholders are involved in the emergency response plan preparation and update.

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

The operation is:
X 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:

The operation defined an Emergency Response Committee (Comite Central de Emergencia) in order to manage any type of emergencies. The emergency coordinator is the process plant manager, that may be replaced by the SHE (Safety, Health, Environment) manager, that may be replaced by the General manager. The emergency committee is composed of distinct internal stakeholders. The operation has a qualified Emergency Response Brigade. All brigade members, including the Emergency Response Committee contact information, are available at the emergency response plan. The emergency communication loop is clearly defined at the Emergency Response Plan. All requirements to be an emergency response brigade member are clearly defined. All volunteers must pass through a medical/ psychological evaluation, theoretical and practical training and a final evaluation to be qualified. All brigade members, including the Emergency Response Committee contact information, are available at the emergency response plan. There are specific activities defined to emergency coordinators, brigade leader and brigade members, as well as for external stakeholders. The operation maintains a master list of all emergency response resources that must be available at the site.

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There is a specific emergency response room were such resources are stored. This was evidenced during the field audit. All emergency response resources are monthly inspected by the brigade members. Records of such inspections are retained by the operation and were reviewed during this audit. As previously mentioned, the role of external stakeholders during an emergency are clearly defined at the emergency response plan. The operation promotes meetings and performs emergency mock drills, involving external stakeholders, where the roles of external stakeholders are communicated, and all involved stakeholders become aware about their roles during an emergency response. Records of such meetings are retained by the operation and reviewed during this audit.

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

	X 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/Deficiencies Identified:

The emergency response plan addresses the communication loop to be followed during an emergency, which includes the communication with external stakeholders (including ICMI, hospitals, firefighters, public authorities, press, among others). As previously mentioned, the operation develops a communication loop involving the contact with internal and external stakeholders, including communities' representatives, press institutions and public authorities. Communication to ICMI is included in the operation communication loop. No significant cyanide related incident has occurred between 2019 and 2022.

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.*

	X 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/Deficiencies Identified:

The plan defines, in the event of solid NaCN leakage or NaCN solution spillages, the actions to be performed in both cases. The plan describes neutralization of soils or other contaminated media. The operation will neutralize the impacted soils with a 15% sodium hypochlorite solution, which is available in 1000-liter plastic container stored in a warehouse.

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After neutralization, soil samples are taken every 5 cm (centimeter) in depth, until the result of free cyanide is not detectable. It is important to note that all process tanks and cyanide containing pipelines are protected by a secondary containment and the soil in the process plants were compacted. There are no surface waters in the vicinity of the operation, that could be impacted. Any contaminated and neutralized debris, including soil, will be disposed at the TSF. The operation collects water from Piñoc creek, that is far from the operation and it is not possible to be impacted by the operation´s activities. Although the probability to impact the Piñoc waters is nil, in the event of such emergency the plan clearly defines that the use of any chemical product is forbidden to be used to mitigate the impact of potentially containing cyanide effluent on the surface waters. The environmental monitoring plan addresses the necessary monitoring of contaminated soil, water and air, defining sampling protocols, the type of cyanide to be monitored and the acceptance criteria.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

In the event of real or potential emergencies, after mock drills or external emergencies related to cyanide, the emergency response is reviewed and updated if necessary. The operation plans and performs, on an annual basis, emergency mock drills. Due to Covid 19 pandemic in 2020, the operation did not perform an emergency mock drill. Reviewed emergency mock drills performed in 2019 and 2021. The mock drills are integrated impacting three dimensions, safety, health and environment. After the drill the results are reviewed by the attendees in order to confirm if the drill was a real situation the specific ERP (Emergency Response Plan) would work and if the attendees performed their roles in accordance with the planned activities. In all three cases, opportunities of improvement (corrective and preventive) were identified and implemented, resulting in the update of the emergency response plan.

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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.

	X in full compliance with	
The operation is:	☐ in substantial compliance with	Standard of Practice 8.1
	☐ not in compliance with	

Summarize the basis for this Finding/Deficiencies Identified:

The operation developed an integrated safety, health and environmental induction (Programa de Inducción y Orientación Básica) training for all stakeholders arriving in the operation, including the ICMI auditor, where there is a specific chapter about the cyanide management system, which includes the description of solid sodium cyanide and cyanide solutions, the associated risks of cyanide exposure to health, safety and the environment, basic operational controls (pH control) and first aid protocols for each type of intoxication caused by cyanide. Records of such training sessions are retained by the operation and were reviewed during this audit. For internal stakeholders (including permanent contractors), the operation performs a refresh induction training every three years. Records of such refresh training sessions are retained by the operation and were reviewed during this audit.

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.

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

Summarize the basis for this Finding/Deficiencies Identified:

After passing through the safety, health and environmental induction training, the new employees or contractors that will work in activities involving cyanide are assigned to be trained specifically in the operational procedures (safe work procedures/ Programa de Capacitación Específica en el área de Trabajo) during one work shift (14 days/ 112 hours). After that, they will work, under supervision, another work shift in order to be qualified to work in the process plant. The operational training is focused on the operational procedures (safe work procedures) that are linked with activities involving cyanide. All operational training is provided by process operators, supervisors and/ or process engineers.

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All new employees or contractors that will work in activities involving cyanide are trained and qualified before working with cyanide, as previously mentioned. In order to ensure that the employees that work with cyanide maintain their knowledge, the operation performs refresh training sessions every three years or, in the event of any update in the operational procedures, all involved employees are promptly trained in the new version of the operational procedure (safe work procedure). The training effectiveness is evaluated in two phases, the first one during the theoretical training through tests and the second phase through planned job observations while they are working under supervision. Records of such evaluations are retained by the operation and were reviewed during this audit. The job rotation in the operation is low and, between 2019 and 2022, only a couple of new employees were admitted working in the process plant. All training related records are retained by the operation, by the Human Resources management process. Initial and refresh training records were sampled and reviewed during this opportunity. All the training records address the name of the trainees, the name of the instructor(s), the date of the training, the total hours of training, the training scope and the conclusions of the training, which includes that the trainees understood the provided training material.

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

The operation is:	**X** in full compliance with □ in substantial compliance with □ not in compliance with	Standard of Practice 8.3

Summarize the basis for this Finding/Deficiencies Identified:

All employees that work directly with cyanide receive specific emergency related training (general knowledge) which includes first aid procedures, decontamination of workers, neutralization of leakages over soil or other surfaces like concrete. Records of such trainings are retained by the operation and were evidenced during this audit. During the field audit, some plant operators and supervisors were interviewed and demonstrated they are aware about general and specific aspects of emergency response activities. The emergency response coordinators are trained in the response protocols related to emergencies with cyanide and the resources that are necessary to respond to such situations. The Emergency Brigade members are volunteer employees that pass through medical / psychological evaluations, theoretical and practical training before being qualified as brigade members. Records of such trainings are retained by the operation and were reviewed during this opportunity. Annually, the coordinators and brigade members participate in emergency mock drills, as part of their permanent training program.

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All external stakeholders that are included in the emergency response plan, such as Peruvian professional firefighters, Peruvian National Police, Yanaquihua Hospital and communities 'representatives are aware about their roles in cyanide related emergencies and also participates in emergency mock drills. Records of such meetings and mock drills are retained by the operation and were reviewed during this audit. Beyond the annual mock drill program, the brigade members requalified/ retrained every year. Records of such activities are retained by the operation and were reviewed during this audit. The initial and refresh training records, beyond the emergency mock drill reports, addresses the attendee's names, their performance, the training scope, instructors' names, dates and instructors' feedback about the trainee performance.

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:
X 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 has a specific communication process to interact with internal and external stakeholders (e.g: press, communities, public authorities). On a regular basis, the operation promotes specific meetings with the communities in order to discuss several aspects, including the cyanide management model. Records of such meetings, performed in 2019, 2021 and 2022 were reviewed during this audit. In 2020 such presential meetings were not performed due to Covid 19 pandemic.

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

The operation is:
X 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:

The operation designed and documented (triptico/ Folleto Informativo sobre Gestión de Cianuro) specific information about the cyanide management at the operation that are available to internal and external stakeholders and are distributed during the meetings with the communities. It was evidence that most of the external stakeholders are educated and literate. The operation has a specific communication process to interact with internal and external stakeholders (e.g: communities, public authorities, press, employees). Between 2019 and 2022 there were no critical incidents (cyanide exposure resulting in hospitalization or fatality, cyanide releases off the mine site requiring response or remediation, cyanide releases on or off the mine site resulting in significant adverse effects to health or the environment, cyanide releases on or off the mine site requiring reporting under applicable regulations and releases cause applicable limits for cyanide to be exceeded) involving cyanide that resulted in fatalities, hospitalization, major environmental impacts that deserved to be communicated to the general public (internal and external). In the event of such real and confirmed critical incidents, the operation developed and documented a Crisis Management plan, which was reviewed during this opportunity and includes a specific chapter about the communication management during a crisis situation. The crisis management plan has a specific chapter related to communication protocols to be applied to communicate the above-mentioned real incidents to internal and external stakeholders (e.g: public authorities, press, internet). These protocols include meetings with authorities and the press, press releases and social media communication.

Audit team conclusions:

It was evidenced that Minera Yanaquihua S.A.C maintains a SHEQ management system. This system ensures an adequate cyanide management in accordance with the Cyanide Code principles. During the previous three years certification cycle, Minera Yanaquihua did not experience any significant cyanide related incidents nor any compliance problems related to cyanide management.

Being usual in all audit process, through sampling, opportunities of improvement (corrective and preventive) may exist and were not identified in this opportunity.

Based on the sampled evidences, the physical conditions of the site (installations), in the interviewed personnel and in the reviewed documentation, the audit team concludes that the cyanide management system **is FULLY** implemented and maintained in accordance with the ICMI protocol for gold mining operations.

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