VARVARINKA, KAZAKHSTAN

SOLIDCORE RESOURCES PLC

VARVARA MINE

MINING OPERATIONS SUMMARY AUDIT REPORT

FOR THE INTERNATIONAL CYANIDE MANAGEMENT INSTITUTE

CYANIDECODE.ORG

VARVARA MINING OPERATIONS SUMMARY AUDIT REPORT

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The International Cyanide Management Code (hereinafter "the Code", "Code" or "the Cyanide Code"), this document, and other documents or information sources referenced at *www.cyanidecode.org* are believed to be reliable and were prepared in good faith from information reasonably available to the drafters. However, no guarantee is made as to the accuracy or completeness of any of these other documents or information sources. No guarantee is made in connection with the application of the Code, the additional documents available or the referenced materials to prevent hazards, accidents, incidents, or injury to employees and/or members of the public at any specific site where gold or silver is extracted from ore by the cyanidation process. Compliance with this Code is not intended to and does not replace, contravene or otherwise alter the requirements of any specific national, state or local governmental statutes, laws, regulations, ordinances, or other requirements regarding the matters included herein. Compliance with this Code is entirely voluntary and is neither intended nor does it create, establish, or recognize any legally enforceable obligations or rights on the part of its signatories, supporters or any other parties.

VARVARA MINING OPERATIONS SUMMARY AUDIT REPORT

Introduction

This report follows the framework for the information that an auditor must include in the Summary Audit Report prepared for a Cyanide Code Certification Audit conducted for a mining operation and for presenting the required information.

The International Cyanide Management Institute ("ICMI" or "the Institute") reviews the Summary Audit Report to ensure that it accurately represents the results of the Detailed Audit Findings Report and includes sufficient information to demonstrate the basis for each finding. Once ICMI determines that all documentation required for the Cyanide Code Certification Audit is complete, it posts the Summary Audit Report on the Cyanide Code website.

Instructions

1) The basis for the finding and/or statement of deficiencies for each Standard of Practice should be summarized in the Summary Audit Report. The Summary Audit Report is intended to provide a summary of the information included in the Detailed Audit Findings Report prepared for the certification audit; and therefore, should include only information that is presented in the Detailed Audit Findings Report.
2) The name of the mining operation, the Lead Auditor's signature, and the submittal date of the final report must be included at the bottom of each page of the Summary Audit Report.
3) An operation that is found in substantial compliance must submit a Corrective Action Plan with the Summary Audit Report.
4) The Summary Audit Report, the Detailed Audit Findings Report, and any necessary Corrective Action Plan with all required signatures must be submitted in electronic format to ICMI within 90 days of completion of the site inspection portion of the audit. An electronic copy of a letter from the owner or authorized representative of the audited operation granting ICMI permission to post the Summary Audit Report and Corrective Action Plan (if one is necessary) on the Cyanide Code website must also be submitted, along with both an electronic copy and a hard copy of a completed Auditor Credentials Form. The Lead Auditor's signature on the Auditor Credentials Form must be certified by notarization or equivalent. Electronic documents should be submitted to the Institute via email at:

   audits@cyanidecode.org

   The hard copy of the notarized Auditor Credentials Form should be sent to:

   International Cyanide Management Institute
   1400 I Street, NW, Suite 550
   Washington, DC 20005, USA

5) The Summary Audit Report should include a description of the operation, identifying the facilities included within the scope of the audit and any new facilities or facilities that have undergone substantial changes since the previous audit (in the case of a recertification audit), and indicating key operational components such as the mine type (e.g., open pit, underground) cyanide forms used such as briquettes or liquid, cyanide packaging and method of delivery and storage, processing methods (e.g., heap leach, milling, carbon-in-leach, Merrill-Crowe), nature and purpose of ponds and impoundments, cyanide destruction circuits, and other site-specific operational features that provide context to the reader ahead of the audit findings. The description of the operation should include sufficient information to describe the scope and complexity of the operation being audited.

Operation General Information

Name of Production Facility:	Varvarinskoye JSC
Name of Facility Owner:	Solidcore Resources PLC
Name of Facility Operator:	Varvarinskoye JSC
Name of Responsible Manager:	Ryssaldy Komutova, Chief Environmental Engineer
Address:	Varvarinka
State / Province:	Kostanay
Country:	Kazakhstan
Telephone:	+7 (7142) 39 02 25
Email:	KomutovaRT@solidcore-resources.kz

Auditor's Finding

This operation is

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

with the International Cyanide Management Code.

Compliance Statement

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

VARVARA MINING OPERATIONS SUMMARY AUDIT REPORT

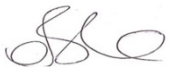
Auditor Information

Audit Company: Greenrock International LLC

Lead Auditor: Julia Kennedy

Lead Auditor Email: juliakennedy@kennedy-global.com

Names and Signatures of Other Auditors:

Auditor 1: Christine Blackmore Lead and Technical 

Name (Print/Type) Signature

Dates of Audit: 23-26 September 2025

Auditor Attestation

I attest that I meet the criteria for knowledge, experience and conflict of interest for a Cyanide Code Certification Audit Lead Auditor, as 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 Auditors.

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

Varvarinskoye JSC		**23-26 September 2025**
Name of Facility	Signature of Lead Auditor	Date

Operation Location Detail and Description

Varvarinskoye deposit is located in the Beimbet-Mailin district of the Kostanay region of the Republic of Kazakhstan, some 130km southwest of the city of Kostanay. The nearest populated areas are the villages of Varvarinka, Nikolaevka, Bataly, Asenkritovka, and others, ranging from 3km to 12km away. The district center, Ayet, is 35km southeast, and the regional center, Kostanay, is 100km northeast (Figure A below). The nearest railway stations, Bataly and Tobol, are located 20km and 45km south of the mine. Access to the site is via an asphalt road, 45km from the Rudny-Tobol highway.

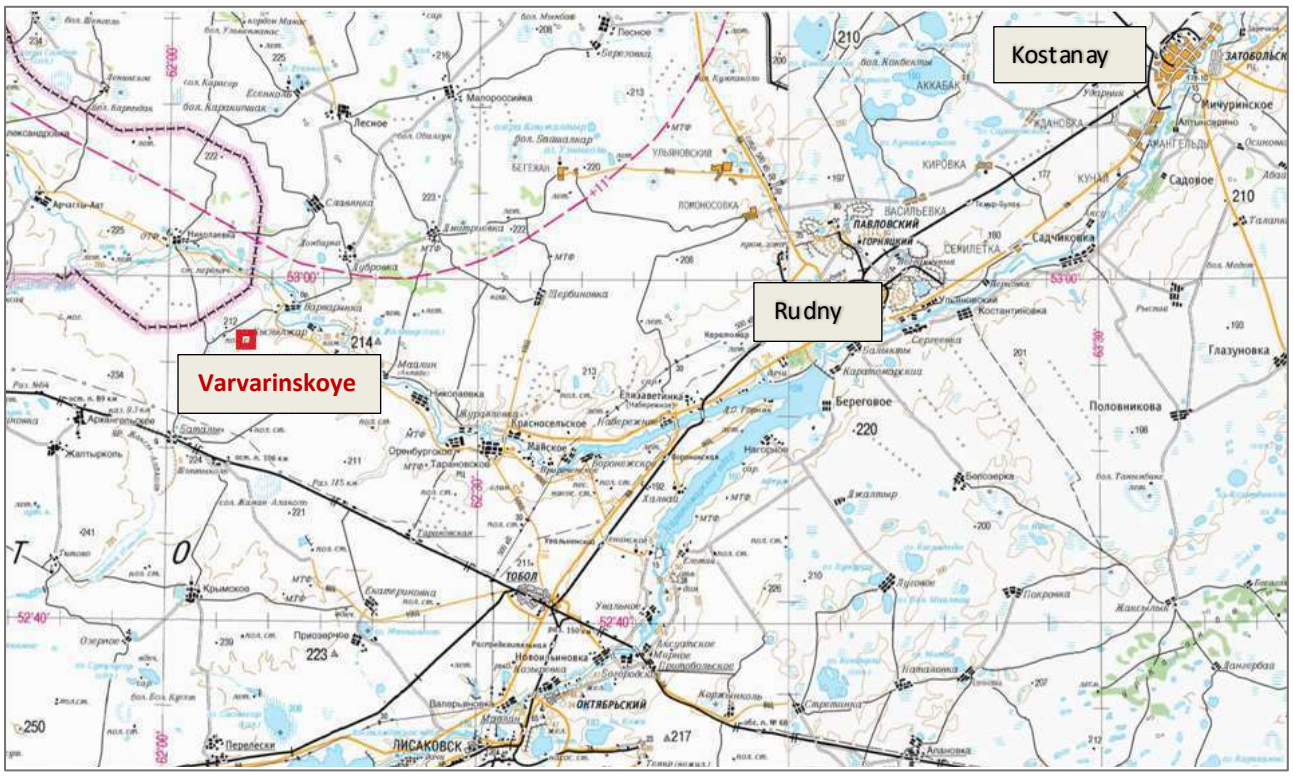


Figure A: Varvarinskoye Mine Location

JSC Varvarinskoye (hereinafter referred to as “Varvara”) comprises of an open-pit gold mine and also mines ore from Komarovskoye (“Komar”), a high-grade gold deposit which Solidcore Resources acquired as part of the purchasing of Varvara from Polymetal. The feedstock from Komar (2 Mt/yr) is transported by rail to Varvara processing plant and blended with the ore from Varvara’s open pit. Since the previous audit, Varvara has built a new Tailings Storage Facility (“TSF”), birds eye view of the operational facilities including the new TSF can be seen on Figure B below.

Figure B: Varvarinskoye Operational Facilities in 2025, Including New TSF

The ore has a relatively simple process, the block flow diagram of the gold circuit at Varvara using a cyanidation process is shown on Figure C below.

The processing plant processes both gold and copper ore crushing takes place on the individual ore`s. Following crushing of gold ore, it is then subjected to grinding to 71 microns. Copper ore is sent to flotation while gold ore is directed for hydrometallurgical processing where a 20% sodium cyanide solution is used.

Cyanide is transported to site by rail from Dzerzhinsk, Russia, by Russian Rail (hereinafter “RZD”) to the border with Kazakhstan at Kataly, the cyanide continues its journey on the rail rolling stock but the locomotive is changed to Kazakhstan Rail, where it continues to Bataly station. Varvarinskoye JSC has its own locomotive which collects the rolling stock for the final part of the journey to Varvara. Varvara has its own platform with the site.

On arrival of the cyanide at Varvara platform, the shipping containers are unloaded from the rolling stock and taken to the cyanide storage compound by truck and trailer. At no time during the journey from Dzerzhinsk to Varvara platform are the shipping containers (containing the cyanide boxes) opened or do they leave the rail rolling stock. Security is provided throughout the journey.

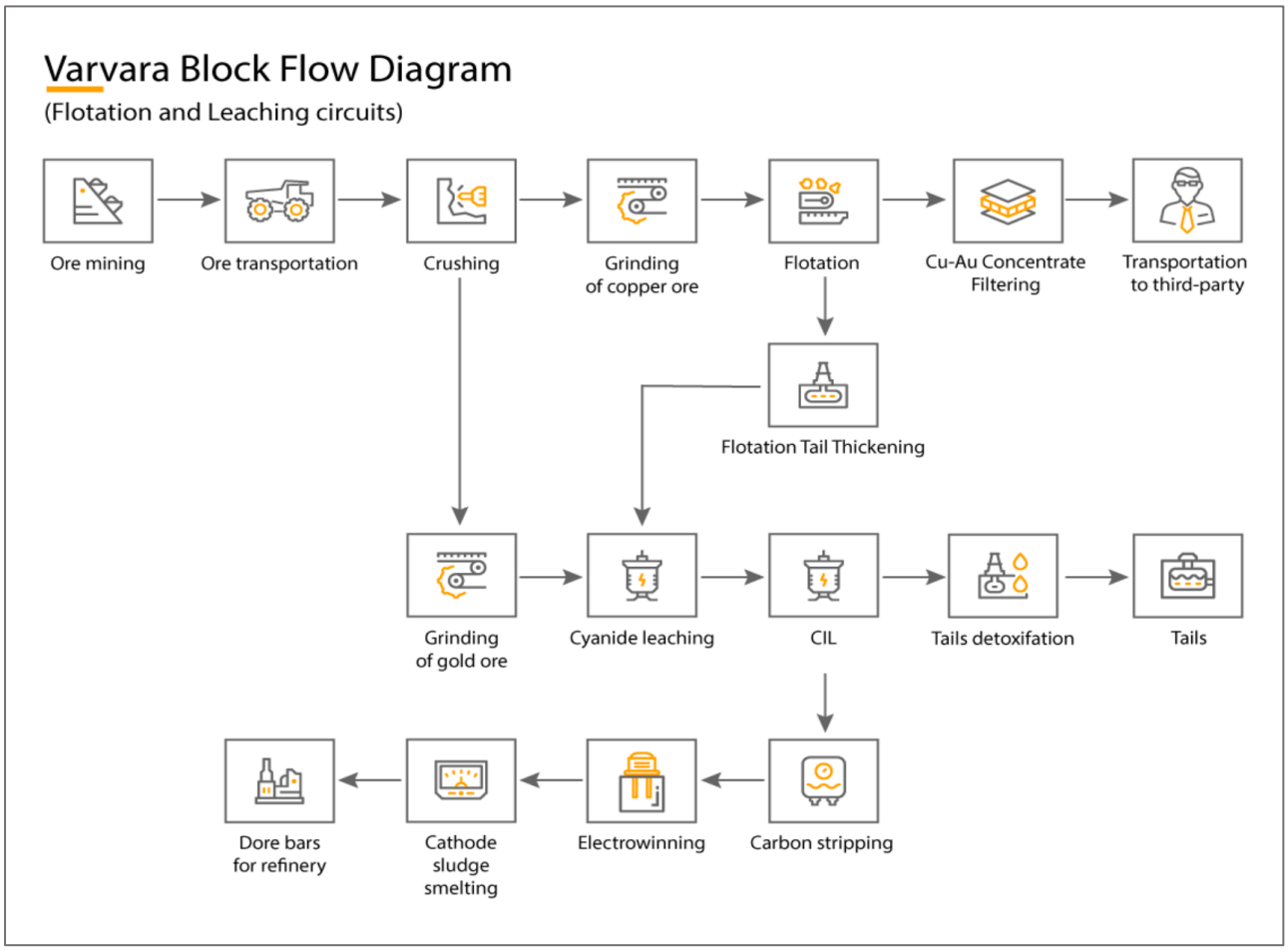


Figure C: Varvara Process Flow Diagram

Cyanide is supplied by ICMI-certified manufacturer Joint-Stock Company "Korund-CN" in solid form (briquettes) in steel banded wooden boxes and stored in purpose-built warehouse. The warehouse has compartments, each compartment has its own secured access, alarm system, movement sensors, lighting, ventilation system and CCTV. Each compartment contains 20 tons (20 boxes) at any one time. Cyanide is only taken out of storage to the processing plant when needed for use.

Varvara uses fresh water for cyanide mixing from the river Ayat and also water from the open pit. Tailings water is recovered and used in the process plant (milling), this is detoxified water (treatment prior to discharge to TSF); the water is regularly tested and is less than 50 mg/l Weak Acid Dissociable (WAD) cyanide. The water is again tested before feeding back into the plant to confirm it is less than 50 mg/l (WAD) cyanide.

The audit was conducted only on features related to the cyanide process. No visits to the open pit were required.

The following is a summarized list of the cyanidation process components audited:

- Process plant and the mixing area, cyanide circuit, including the tanks, pipes, bunds, pumps and valves, decontamination of packaging waste;
- Cyanide supply chain, including Solidcore Resources rail head and on-site vehicles carrying cyanide;
- Station Manager discussion and tour of the on-site station and unloading platforms;
- Dedicated cyanide storage area;
- Water treatment facility – electronic results;
- New Tailings Storage Facility (TSF 2 commissioned December 2024);
- Training department;
- H&S department;
- Clinic and Ambulance station;
- Environmental department;
- Community liaison unit;
- Security department;
- Emergency Response department with an emergency response drill undertaken during the audit;
- Procurement and administration offices.

An opening power point presentation and discussion was undertaken to top and senior management of Vravrainskoye Mine with regard to the audit proceedings and Code expectations. A close out presentation and meeting with the Chief Engineer and senior members of staff was undertaken upon completion of the audit.

During the recertification audit, discussions were undertaken on documentation relating to cyanide shipping, storage and operational usage. Management reviews are undertaken every 3 years, however, in some cases it is 12 months unless a specific change has been made. The documents audited included licences and permits, emergency response procedures, calibration certificates, environmental monitoring program and results, training records, community liaison records and similar were requested and reviewed as necessary in support of the Code recertification audit.

Representative inspection records have been reviewed over the three-year period and beyond. Personnel contacted during the audit included senior managers and workers at the Mine.

At all stages a photographic record was made by the auditors (permission requested and granted by the CEO) and a video of the emergency drill, held on 24 September 2025 at the behest of the auditors. The report following the drill was also provided for review and cross checking with the auditors' notes.

The following activities (modifications/changes) have taken place since the first certification three years ago (2022):

- Change of ownership from Polymetal to Solidcore Resources;
- Update of the management system and procedures;
- Construction of Tailings Storage Facility 2 (TSF 2);
- Commissioning of TSF 2 in December 2024;
- Monitoring boreholes around TSF 2;
- Design and partial construction of additional cyanide storage warehouse;
- Significant improvements to the monitoring of security, including Checkpoint 1 and Checkpoint at the Processing Plant and relevant procedures pertaining to these;
- Improvements to the on-site rail head;
- Improvements in worker PPE (new masks, gloves, etc.);
- Cyanide containers returnable.

As a result of the re-certification audit it has been established that Varvarinkoye JSC is in full compliance with the Code. In reference to the International Cyanide Management Code for Cyanide Operations, the auditors would recommend to ICMI that the re-certification is granted to Varvarinskoye JSC.

Principles and Standards of Practice

Principle 1 | PRODUCTION AND PURCHASE

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 certified manufacturers employing appropriate practices and procedures to limit exposure of their workforce to cyanide, and to prevent releases of cyanide to the environment.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 1.1

Summarize the basis for this Finding/Deficiencies Identified:

Solidcore Resources purchasing procedure stipulates that only accredited ICMI code compliant cyanide producers will be used. A copy of the purchasing procedure was provided to the auditors and seems appropriate.

The cyanide supplied to Varvara is produced by Joint-Stock Company “Korund-CN”, a manufacturer that is a registered signatory of the ICMI and was re-certified in June 2023 as indicated on ICMI website.

During the audit it was established that in 2025 Varvarainskoye JSC was also purchasing its cyanide from ICMI-certified manufacturer “Inner Mongolia Chengxin Yongan Chemical Co., Ltd.” via Almaty-based MKA Engineering LLC (hereinafter – “MKA”).

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 ☐ not in compliance with	Standard of Practice 2.1

Summarize the basis for this Finding/Deficiencies Identified:

The cyanide producer Joint-Stock Company “Korund-CN” is certified under the auspices of the "Code". The chain of custody documents are initially generated by the producer Korund-CN. These are added to during the transit to Varvara and include transboundary documents. All aspects of the transit are included in the documentation and are compliant with the Code.

Chain of custody documentation for the cyanide sourced in Inner Mongolia was also available. A supply chain audit was undertaken on the transportation of cyanide from Inner Mongolia via MKA. It was established during the audit that MKA was deploying non-certified transporters to deliver the cyanide to Varvara. This was found as a non-compliance with appropriate Corrective Action Plan raised. The corrective actions implemented to close this non-compliance included strengthening of the cyanide purchasing procedure and early termination of the contract with MKA.

Thus, Varvara has prepared an Executive Order signed by the CEO which obligated Varvarinskoye procurement department to purchase cyanide only from suppliers/manufacturers certified in accordance with the Cyanide Code and who comply with safe transportation requirements and to supplement the tender documentation with this requirement. Additional requirement is to check the status of the manufacturer and the transporter on ICMI’s website https://cyanidecode.org.

The Order mentioned above supplements Varvara’s implemented cyanide management policy of 2023 which prohibits cyanide transportation using non-certified transporters and also the Executive Order to commission such policy dated June 2023. Taken together, these procedures are aimed to ensure that only certified cyanide transporters are used to deliver cyanide to Varvara Mine and prevent a repetition of such an oversight in the future.

In view of the above, it could be concluded that the non-compliance has been corrected to the

auditors' satisfaction prior to the reports being submitted to ICMI.

A supply chain audit was undertaken on the cyanide transportation route from Dzerzhinsk to Varvara Mine. The cyanide is transported from Korund to Varvara by rail, as follows:

- Russian Rail (RZD) from Korund, Dzerzhinsk to Kartaly station, Russia;
- Kazakhstan Rail (KTZ) to Bataly station, Kazakhstan (locomotive change only);
- Bataly station on Varvara spur rail line (change to Varvara's own locomotive), and
- Off-loading of the cyanide containers at Varvara platform and transporting to the designated cyanide compound with further daily transport to the Mixing Area at the plant. Solidcore Resources platform is within Varvara mine site boundary.

The containers used for shipping of cyanide are in accordance with the United Nations (UN) specifications which are internationally accepted and are labelled with the UN international cyanide chemical code of 1689 (solid briquettes), classification 6 (Toxic) and marine pollutant.

Korund has its own spur line and is in possession of a licence for the loading-unloading operations issued by RZD. The cyanide containers are loaded on to RZD rolling stock and not off loaded until the goods reach Varvara, there is no interim storage or off-loading during the journey. RZD is notified in advance when cyanide needs to be transported; RZD has procedures in place for the transportation of Dangerous Goods (DGs). RZD determines the most appropriate route and use of their transfer stations from one rail network to another. There is only one rail line from Kartaly to Bataly; there are no stations in between. Documentation with regard to the supply of dangerous goods by rail is in accordance with RID (international carriage of Dangerous Goods by Rail).

Both organizations – Russian Railways and Kazakh railways - are state-owned, and their activities are governed by the regulations for the transportation of dangerous goods by rail, which, in turn, are based on UN recommendations.

JSC Russian Railways and JSC KTZ are licensed to transport all types of cargo, including sodium cyanide (UN code 1689). Their activities are insured in accordance with the current legislation of the Russian Federation and the Republic of Kazakhstan.

Information with regard to training, maintenance and emergency response for RZD, KTZ, Varvara Rail and onsite transport is contained in the supply chain audit.

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.

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

Summarize the basis for this Finding/Deficiencies Identified:

Varvarinskoye facilities for unloading, storing and mixing cyanide have been designed and constructed in accordance with applicable jurisdictional rules, namely the Republic of Kazakhstan as well as accepted engineering practices. These include cyanide unloading platform, roads, storage compound (including the warehouse), processing plant and mixing area.

Before the processing plant and associated infrastructure is operational it is inspected by the Kazakhstan authorities for design, parameters and operational use. It is against the law to operate such facilities without the appropriate approvals being in place.

Process Flowsheet Regulations for Varvara comprise of all elements of ore processing, starting with crushing and ending with the tailings management. Even though Varvara process technology is conservative, the process flowsheet undergoes regular revisions as continuous improvement and in order to define any bottlenecks or areas where efficiency could be improved. Latest revision took place in 2024.

The mixing area forms part of the process plant. The auditors visited each location to confirm the integrity of all the infrastructure and discuss the improvements made during the last 3 years. There have been no changes to the mixing plant since the previous audit, with exception of scheduled maintenance and repair works.

Significant changes since the previous audit included the renovation of the Varvara railway station, construction of TSF 2 and expansion of the cyanide storage.

Stage Two construction of the cyanide warehouse has been at construction stage during the audit

following design approval by Kazakhstan Authorities and is due to be completed late 2025. It took three tears to obtain state approvals for the construction of the second stage of cyanide warehouse due to the danger class of the facility.

TSF 2 has a design capacity of 30Mt and four stages of construction, first stage (first embankment) having been implemented following state approvals. TSF 1 has still some capacity left, and currently Varvara is conducting engineering research of the dam stability in order to establish its useability and remaining life.

The on-site rail platform for unloading cyanide and storage compound at Varvara are approximately 5km from the nearest dwelling and 7km from the nearest water course (River Ayat). Varvara is implementing precautions to minimize cyanide release potential during transportation and handling of cyanide. Only solid cyanide is used at the site.

In addition to the on-site rail platform and storage compound, the cyanide mixing facilities are located away from people and surface waters. Entry to the site is restricted and guarded. Varvara operations have implemented precautions to minimize the potential for cyanide spills and human exposure, in accordance with its Cyanide Management Policy and state-approved technological process flowsheet.

Cyanide storage tanks have fill gauges which are alarmed and connected to the control room in the process plant, to prevent overfilling. Calibration certificates for the monitors were shown to the auditors during the site visit and are in date. The alarms are tested routinely as part of the shift change-over inspections.

The cyanide mixing and storage tanks are in a concrete bunded area (secondary containment). The auditors inspected the bunds during the site visit. Bund capacity has been increased in the process plant. Both the bunded areas and concrete floors are well maintained and showed no signs of deterioration.

The cyanide mixing and storage tanks are in a concrete bunded area (secondary containment) which provide a competent barrier to leakage. These have been inspected by the auditors during the site visit. Secondary containments were well maintained and showed no signs of deterioration.

The cyanide warehouse is constructed of corrugated coated metal with a concrete floor, higher than ground level, thus preventing the ingress of water. Each compartment has its own collection drain and sump should there be any water ingress.

The cyanide boxes after removal from the shipping containers are placed in the compartmental

warehouse and stack two high. Each compartment has an electrical ventilation system. There is also a secondary ventilation system that is activated in emergencies if the primary breaks down. The emergency ventilation system is tested once every two weeks. There are also large double vehicle doors to each compartment.

The mixing area where cyanide solution is present, is provided with adequate ventilation to prevent the build-up of hydrogen cyanide gas. There is no liquid solution stored in the mixing area as it is fed directly into the process circuit. Varvara processing plant operation optimise the use of cyanide so there is no excessive cyanide, solution or solid, retained in the mixing area, as advised by the operations department and confirmed by the security department during the site visit.

The cyanide compound is fenced with secure double gates and pedestrian access through a turnstile. The warehouse (each compartment) is electronically locked. The compound has CCTV, movement sensors, appropriate lighting and is staffed 24/7 by armed guards (2). Restricted access is in force and only authorised staff working in that specific area are allowed entry.

Cyanide is stored separately from other materials (such as acids) in the Toxic Substances Warehouse apropos the established procedures (Technological Regulations) with walls and appropriate barriers that would prevent mixing. The warehouse is constructed with walls and appropriate barriers that would prevent mixing of substances.

Standard of Practice 3.2

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

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 3.2

Summarize the basis for this Finding/Deficiencies Identified:

Shipping containers are emptied, decontaminated and returned to the manufacturer as per the implemented procedure. Each container is subjected to cyanide testing before being returned and all placards displaying UN1689 are removed. Containers are placed back onto the rolling stock matching the original numbers assigned when shipped to the mine, as the procedure dictates.

The plastic bags are placed in a bath of iron sulphate and lime solution for a minimum of 5 hours. The bath is enclosed to prevent splashing and dripping. The bags are then hung above the bath to

dry off before being placed in a bag, pressed, sealed and taken to a container to await collection by a Kazakhstan licensed carrier, Sharua LLC.

While plastic bags are decontaminated, wooden containers are not decontaminated. These are temporarily stored on the company's premises, before being sent to a licensed solid waste landfill, collected once every six months. The wooden boxes are not used on site although the use thereof is allowed by the state, namely the environmental permit and the non-hazardous waste certificate (passport) due to their non-toxic properties (unless plastic bags are damaged). However, wooden boxes are decontaminated if the inner containers (plastic bags) have any signs of damage however small. Temporary waste storage areas are organized in accordance with the approved "Waste Management Program" for Varvarinskoye JSC.

In 2010, studies were conducted to determine the hazard class of waste generated at Varvarinskoye operations (in Kazakhstan the hazard class ranges from 1 to 5 with 5 being the lowest) which comprised the wooden sodium cyanide containers and polyethylene bags. The studies conclude that the wooden boxes are classified as Class 5 (non-hazardous) while polyethylene bags have been attributed Class 4 (low hazard) in accordance with the Kazakhstan Governmental Standards (GOST).

A non-hazardous waste certificate (passport) for the wooden boxes is available at the operations and was approved by the Ministry of Energy, Geology and Natural Resources of the Republic of Kazakhstan on August 20, 2021 (No. 335). The certificate describes, among other specifics, the origin of waste, chemical composition and recommended waste management practices. According to the certificate, waste collection must be carried out separately from other waste and the boxes must be disassembled and taken to a landfill or can be reused on site.

When removing the contents, the polypropylene and polyethylene packaging is visually inspected for damage that could allow sodium cyanide to come into contact with the wooden box. In case of damages, wooden boxes are subjected to neutralization. The procedure for decontaminating and handling of the boxes is established in the process flowsheet which has been approved by the state. In addition, Varvarinskoye has implemented internal instructions for the disposal and handling of sodium cyanide containers.

The auditors have reviewed the research reports of 2010, non-hazardous waste certificate, relevant state approvals and the environmental permit and confirm the conclusions are true. Although Varvarinskoye operations are permitted to reuse the wooden boxes on site they are not reused and are sent to the landfill.

Shipping containers are returned to the manufacturer. Each container is subjected to cyanide decontamination and testing apropos the procedures prior to being returned and all placards

displaying UN1689 are removed as per the procedure (Technological Regulations) on decontamination of returnable cyanide containers (dated 25 December 2024). These regulations have been developed in accordance with the relevant legislation of the Republic of Kazakhstan.

Procedures are in place for daily operations and sequential operation of all pipes, valves and couplings. Copies of the procedures were available in the mixing area for reference. No changes have been made since the last audit.

All tanks, pipes, valves and couplings are inspected routinely as part of the shift change-over checks. Required maintenance identified by daily inspections are carried out without delay in addition to the routine maintenance implemented on a rolling program. These are also sequentially tested. Procedures are in place and inspection records maintained. The mixing area is monitored by CCTV in the control room and is also linked to key process engineers on the electronic system.

The mixing area is closely monitored from the control room and also the operatives are trained and experienced in the handling of cyanide. It was established during the audit that the cyanide containers were handled with care to prevent ruptures and punctures. Handling and transportation of cyanide containers was undertaken as per the procedure for this task.

No Cyanide containers are stacked. When shipping containers arrive, they are emptied and the boxes containing cyanide are unloaded and taken to a designated compartment in the purpose-built cyanide warehouse. Varvara implements procedures for limiting the stacking height of cyanide boxes stored in the warehouse. “Technological regulations for the handling of chemical reagents and hazardous substances on the territory of Varvarinskoye JSC” (Section 7.14) require that boxes with sodium cyanide are stacked three high maximum. It was the auditors’ observation during the audit that boxes in the cyanide storage were stacked two high.

Spill equipment is available in the mixing area. However, limiting the box height and following the procedure as observed does prevent a spillage. The mixing operatives have undertaken training with regards to cleaning up spillages and are aware of the reaction time needed for this task.

Task specific procedures are in place for the mixing of solid cyanide and includes a description of the PPE required for that task. During the site visit, the two mixing operatives demonstrated the PPE and how they check each other’s clothing.

Two operatives are always in attendance at mixing times and the mixing process is also watched by staff in the control room, via CCTV. The video link is also available for the process manager and other engineers to observe.

Carmoisine (red) is a synthetic food dye that is added to the process during mixing stage to facilitate this compliance. Procedures have been prepared for the adding of the dye.

Principle 4 | OPERATIONS

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

Standard of Practice 4.1

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

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 4.1

Summarize the basis for this Finding/Deficiencies Identified:

Written procedures are in place for all aspects/tasks for the management of cyanide at Varvara site. During the site visit the auditors requested procedures when following the cyanide process and are satisfied that the procedures are complete and cover all facilities where cyanide is handled.

The operational plans and procedures have been prepared to account for the design assumptions and parameters. The design criteria and the construction of all facilities required approvals by the Kazakhstan Authorities before becoming operational. The newly built TSF 2 design was developed taking into account the local natural, climatic, and geological conditions. The engineering and geological survey materials contain sufficient data necessary for the development of design documentation, as concluded by the State authorities.

Prior to being commissioned, Design for "Construction of Tailings Storage Facility No. 2 for Varvarinskoye JSC Gold Extraction and Processing Plant located in the Republic of Kazakhstan, Kostanay Region, Beimbeta-Maylin District, Varvarinka Village" received necessary state approval No. 12-0221/21 dated July 23, 2021.

Preceding this, TSF 2 Design received the following state approvals in satisfying applicable regulatory requirements as necessary to prevent or control cyanide releases and exposures:

- Sanitary and Epidemiological Conclusion No. 138 of October 1, 2012, "Project for the Sanitary Protection Zone of Varvarinskoye JSC, Taking into Account the Prospects (2022)," issued by the State Institution "Department of the State Sanitary and Epidemiological Surveillance Committee of the Ministry of Health of the Republic of Kazakhstan for Kostanay Oblast";

- Conclusion on the absence or insignificance of mineral deposits in the subsoil beneath the proposed development site, No. KZ32VNW00002720 of September 27, 2019, issued by the State Institution "Department of Natural Resources and Environmental Management of the Akimat of Kostanay Oblast";
- The preliminary design as approved by the State Institution "Department of Architecture, Urban Planning, and Construction of the Akimat of Beimbet Maylin District" in 2021;
- Expert conclusion No. 3/21 dated April 15, 2021, on the compliance of the Industrial Safety Declaration for the project "Construction of Tailings Storage Facility No. 2 of the Gold Extraction and Processing Plant of Varvarinskoye JSC" with the requirements of industrial safety regulations in force in the Republic of Kazakhstan, issued to Astilon LLP (certificate for the right to carry out work in the field of industrial safety dated May 11, 2020, No. KZ25VEK00010467, issued by the RSU "Committee for Industrial Development and Industrial Safety" of the Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan);
- Registration of the Industrial Safety Declaration dated May 5, 2021, No. KZ78VEG00011098, issued by the RSU "Industrial Safety Committee of the Ministry of Emergency Situations of the Republic of Kazakhstan";
- The design as approved for industrial safety by the Regional State Institution "Department of the Industrial Safety Committee of the Ministry of Emergency Situations of the Republic of Kazakhstan for Kostanay Region" - approval letter No. KZ84VQR00026583 dated June 24, 2021;
- The draft Closure Plan for Varvara operations as approved by the Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan - letter No. 04-2-18/3Т-К-1033-ЭП dated April 27, 2021.

Importantly, the design was approved by the Regional State Institution "Department of Ecology for Kostanay Region" of the Committee for Environmental Regulation and Control of the Ministry of Ecology, Geology, and Natural Resources of the Republic of Kazakhstan – a positive conclusion from the state environmental review dated July 2, 2021, No. P0121-0008/21.

The design complies with the requirements of the Sanitary Rules "Sanitary and Epidemiological Requirements for the Collection, Use, Application, Neutralization, Transportation, Storage, and Disposal of Production and Consumption Waste," approved by the order of the Acting Minister of Agriculture and Natural Resources of the Republic of Kazakhstan. Minister of Health of the Republic of Kazakhstan dated December 25, 2020 No. ҚР ДСМ-331/2020, "Sanitary and Epidemiological Requirements for Establishing a Sanitary Protection Zone for Industrial Facilities", approved by order of the Minister of National Economy of the Republic of Kazakhstan dated March 20, 2015 No. 237, "Sanitary and Epidemiological Requirements for Water Sources, Water Intake Points for Domestic

and Drinking Purposes, Domestic and Drinking Water Supply and Places of Cultural and Domestic Water Use and Safety of Water Bodies", approved by order of the Minister of National Economy of the Republic of Kazakhstan dated March 16, 2015 No. 209, "Sanitary and Epidemiological Requirements for the Organization and Implementation of Sanitary and Anti-Epidemic, Sanitary and Preventive Measures to Prevent Particularly Dangerous Infectious Diseases", approved by order of the Minister of Health of the Republic of Kazakhstan dated December 14, 2018 No. ҚР DSM-40, “Sanitary and Epidemiological Requirements for Working Conditions and Consumer Services during Construction, Reconstruction, Repair, Commissioning, and Operation of Construction Projects,” approved by order of the Minister of National Economy of the Republic of Kazakhstan dated February 28, 2015, No. 177.

The Design encompassed but was not limited to the following source data:

- Resolution of the Akimat of Beimbet Maylin District, Kostanay Region, dated October 5, 2020, No. 233, on the transfer of land allotment from one category to another and the granting of temporary paid land use rights to Varvarinskoye Joint-Stock Company (462.1093 hectares);
- Act of temporary paid land use rights (lease rights) to a land allotment with an area of 462.1093 hectares, cadastral number 12-189-023-198, for the construction of Tailings Storage Facility No. 2, prepared by the Beimbet Maylin District Registration and Land Cadastre Department, a branch of the Kostanay Region branch of the Non-Profit Joint-Stock Company "Government for Citizens" State Corporation, on December 20, 2020, No. 3461893;
- Resolution of the Maslikhat of Beimbet Maylin District, Kostanay Region, dated January 15, 2021, No. 6, "On Approval of the Development Program for the Territory of Beimbet Maylin District, Kostanay Region for 2021-2025" (with appendix);
- Architectural Planning Assignment (APZ) for the design, dated February 9, 2021, No. KZ36VUA00361338, issued by the State Institution "Department of Architecture, Urban Planning, and Construction of the Akimat of Beimbet Maylin District";
- Dosimetric Monitoring Protocol, dated June 17, 2021, No. PII-21/06-04, issued by the Analytical Laboratory of Atmosphere Laboratory LLP;
- A technical report on the results of engineering and geological surveys, completed by AlmatyGeoCenter LLP in 2020 (state license for survey activities dated July 11, 2011, GSL No. 08885, issued by the Agency of the Republic of Kazakhstan for Construction, Housing and Public Utilities);
- A topographic survey at a scale of 1:500, completed by Komarovskoye Mining Enterprise LLP in 2019 (state license for survey activities dated November 14, 2016, No. 16017449, issued by the State Institution "Department of State Architectural and Construction Supervision of the Akimat of Kostanay Region");

- A technical report on topographic and geodetic works, completed by Komarovskoye Mining Enterprise LLP in 2019;
- A report on engineering and hydrometeorological surveys, completed by VK-ECO Testing Laboratory, LLP, in 2021 (state license No. 01826 R, issued on April 14, 2016, by the Committee for Environmental Regulation, Control, and State Inspection in the Oil and Gas Complex);
- Minutes of public hearings, dated May 12, 2021;
- industrial safety declaration for the project "Construction of Tailings Storage Facility No. 2 of the Gold Extraction and Processing Plant of Varvarinskoye JSC," completed by Independent Scientific and Technical Center for Industrial Safety, LLP, in 2021 (certificate for the right to carry out work in the field of industrial safety, dated August 22, 2017, No. KZ95VEK00007073, issued by the Committee for Industrial Development and Industrial Safety of the Ministry of Investment and Development of the Republic of Kazakhstan).

According to the Design, the minimum freeboard is 1.5 meters. The dam is designed in such a way as to provide for a driveway, supported pipelines, instrumentation, and lighting masts. The dam width is 4.5 m (shoulder width is 0.75 m). The driveway, with a total thickness of 0.3 m, is supported by a 0.15 m thick layer of 40-80 grain crushed stone intercalated with fine crushed stone in accordance with GOST 8267-93, on a 0.15 m thick gravel base. Berms are installed on the inner slope during the construction of the dams in stages. A 20.0 m wide ramp is provided along the inner perimeter of Stage I of the dam and access dam of Tailings Storage Facility No. 2 to allow for the installation of protective layers of the dam. The construction of buildings is made from local building materials.

The water balance in TSF 2 is calculated for a series of years with a 50% supply based on annual evaporation and total precipitation over the course of the year. The water balance calculation is based on the plant's operating years. The calculation shows that excess water forms in the tailings storage facility, which accumulates in the settling pond of Tailings Storage Facility No. 2. The designed tailings storage facility, with a useful volume of 30.73 million m³ and a designed dam crest elevation of 225.00 m, provides tailings storage for approximately 133 months (approximately 11 years). The settling pond, with a volume of approximately 2.5 million m³, is naturally depleted through evaporation over a period of approximately 52 months (approximately 4 years).

Protocols and Procedures are in place for the safe operation and environmental protection for all elements of the cyanide circuit. The facilities would not be allowed to operate unless these were in place and approved by the Kazakhstan authorities. Inspections by the Kazakhstan authorities are undertaken on a regular basis to ensure appropriate procedures are in place and are observed.

Procedures are in place for the safe operation of the TSF 2 which was commissioned in December

2024. The TSF is inspected by the dedicated staff (5 during the day and 2 at night) at the change of each shift on a 24/7 basis. Inspections would also include the elements of water management system, such as tailings pipelines, return water pumps, valves, couplings and pipes. The staff are trained and efficient in recognizing anomalies in the operation of the TSF.

It was established during the audit that the facilities are well managed and operated. This includes the new TSF which is well run, particularly with regard to the control of beaching and water. In addition, the TSF is visually inspected twice a day by car or by foot. The auditors were shown the Construction Validation reports and the approvals by Kazakhstan Authorities for the initial starter embankment and found these in good order.

TSF 1 has reached its capacity. Currently a geotechnical assessment is being undertaken to derive a stability ratio to establish whether a further embankment could be safely built to prolong its life and extend its capacity. If this is not feasible capping and rehabilitation will commence in 2027 or thereabout.

In addition to the inspection program for the tailings storage facility, the operation's plans and procedures describe the standard practices necessary for the safe and environmentally sound operation of the other cyanide facilities, such as the various process circuits. The procedures include the Process Flow Sheet (Technological Regulations) which has been approved by the Kazakh authorities and are updated should changes occur.

The process plant is also well run and meets its obligations to safety and environmental commitments with regard to the use and handling of cyanide. The Plant is operated on the basis of the Process Flow Sheet (Technological Regulations) for work with highly toxic substances and chemical reagents which is regularly reviewed and updated.

Varvara operations implement procedures to review proposed changes to production processes, operating practices or cyanide facilities. There is a procedure for updating/changing documents. For small changes it is discussed at daily shift meeting. For larger changes there is a three step process before a specific change (s) can be made to a procedure and implementation:

1. Notification to all staff;
2. Approval of staff from different levels; and
3. Final sign off and implementation.

Approvals are also sought from H&S and Environmental department managers to ensure that environmental protection and human health are not at risk.

In addition to the procedure for *"updating/changing documents"*, Varvarinskoye operation has a formalized procedure to review proposed changes to production processes or cyanide facilities to determine if they may increase the potential for cyanide releases and worker exposures. Namely, the operation observes the following procedures that allow for changes to be made and recorded at various stages and levels:

- Instructions on the design of technical solutions for commissioning, pilot testing and operational activities at JSC Varvarinskoye;
- Procedure on useful suggestions at JSC Varvarinskoye;
- Procedure for designing of local changes at JSC Varvarinskoye operations;
- Instructions for drawing up a TR certificate when performing construction and installation works at capital construction sites, and
- Regulations for organizing the process of submitting proposals for improving production parameters.

Varvarinskoye operation has implemented the above procedures as required.

Varvara has contingency plans in place for non-standard issues. A series of scenarios have been discussed in the various documents applicable to different stages in the cyanide cycle. Each operative in the cyanide circuit has access to these procedures. A protocol is also in place should there be a necessity to change any procedure or plan.

For an example from site: if there is excessive precipitation or snow melt, there are two over overflow ponds that can be used immediately. Also, if there is a blockage in a tailings pipe, an alternative piping system is available in emergencies.

Varvara operations have cyanide management contingency procedures for non-standard operating situations which address potential problems identified as a result of an inspection. Any such problems are addressed apropos the implemented procedures. Contingency plans are in place if inspections have identified any problems. All cyanide facilities are inspected at the change of each shift and information is recorded. All of the facilities using cyanide are well run and maintained. The inspection procedure and management of the facilities ensures that they work within the design parameters. Inspection records are kept and actioned where necessary.

The mine is scheduled to operate until circa 2032, with no plans to stop production. Kazakhstan legislation requires a liquidation fund (a physical deposit of money) be provided for the cessation of activities, a liquidation project is being developed and implementation procedures prepared. This project will include measures for the safe disposal of waste containing cyanide, all equipment that

has been in contact with cyanide will be dismantled only after it has been neutralized. In addition, Varvara has individual Mitigation Plan for TSF 2 developed and approved in 2024.

Reasons for stoppage/cessation of work are identified as follows:

- Lack of ore or other necessary materials*;*
- Economic problems.

Civil unrest or legal or regulatory action - the company has a contract for the protection of production facilities. The specially protected area is the cyanide warehouse, it has its own security regime which limits access.

Contingency plans are in place for cessation and disruption of operations, including closure plans for the safe management of cyanide and environmental protection. In addition, the liquidation of industrial facilities is carried out at the expense of the liquidation fund, provided for by the code on subsoil and subsoil use and environmental codes. In case of bankruptcy, there are also procedures in accordance with the legislation of the Republic of Kazakhstan.

The cyanide solution tanks are inspected at the change of each shift (every 12 hours routinely), every week by the process manager and every 2 weeks by the Chief Engineer, for structural integrity and signs of corrosion and leakage. The tanks were inspected by the auditors during the audit and were found in good condition bearing appropriate labeling.

The secondary containments are inspected at the change of each shift (every 12 hours routinely), every week by the process manager and every 2 weeks by the Chief Engineer, to confirm the integrity of the construction, fluid capacity is available in case of emergency, drains closed off to prevent any accidental releases to the environment. Varvara does not operate leach pads and associated collection ponds.

As part of the daily inspections all pipelines, pumps and valves are checked for deterioration and leakage. All pipes have secondary containment. Any pipes, valves or pumps that show corrosion or salts are delt with apropos the maintenance procedures.

TSF 2 is operated as per the design manual prepared specifically. The water in TSF 2 is strictly monitored to ensure the maintenance of the water balance. The water is recovered using 3 submersible pumps back to the process plant. The design freeboard is 1.5m, the auditors confirm there is in excess of 1.5m freeboard available. Surface water ditches are maintained and also inspected for their integrity.

The cyanide solution tanks are inspected at the change of each shift (every 12 hours routinely), every

week by the process manager and every 2 weeks by the Chief Engineer, for structural integrity and signs of corrosion and leakage.

The secondary containments are inspected at the change of each shift (every 12 hours routinely), every week by the process manager and every 2 weeks by the Chief Engineer, to confirm the integrity of the construction, fluid capacity is available in case of emergency, drains closed off to prevent any accidental releases to the environment.

The inspection regime is on a good regular basis starting with the change of shift (every 12 hours) by the shift manager and also operators are in the plant and the control room that has screens with process parameters and CCTV, so the cyanide process is continually observed**.**

There are dedicated inspection lists which include the date, name and any observations made that would need to be actioned. The auditors discussed the reporting of defects and how remediation actions were undertaken to sign off. The auditors are satisfied that the documentation identifies specific items to be observed, responsible staff and completion reports with dates and signatures.

Corrective actions are documented electronically and also manually recorded including the date of reporting. The auditors followed this process through from initial recording to completion sign off on several records to confirm retention of information and sign off.

All equipment and structures relating to cyanide are on a “rolling program” of preventative maintenance and general inspections in addition to the daily inspections. Maintenance records are kept and were found in good order.

The main power source for Varvara is from the national grid, however in cases of emergency the process plant has a 1 megawatt diesel generator that can be switched on immediately if needed. This generator is maintained as part of the rolling program of preventative maintenance and is tested every 2 weeks, where it is used in the system to ensure its capabilities are maintained.

The capacity of the diesel generator is 1 (MW), which is sufficient for the operation of the equipment to prevent unintentional releases and exposures.

Standard of Practice 4.2

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

The operation is ✓ in full compliance with / ☐ in substantial compliance with Standard of Practice 4.2

☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The cyanide rates have been determined for the blended ore used at site, which ensure a homogenous feedstock, therefore the cyanide usage is stable, however this is still monitored by the control room and samples are taken every 2 hours by the in-house laboratory located in the process plant. Any differences between the automated system and the manual system are reported immediately to the shift manager and process plant manager for corrective action if necessary.

Based on the blended homogeneous ore fed to the mill, the operation has determined that the standard cyanide addition rate is appropriate to minimize its cyanide use. The on-site laboratory regularly analyses the process samples and therefore the cyanide addition can be adjusted to the optimal level.

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/Deficiencies Identified:

The operation has developed a comprehensive, probabilistic water balance. A copy and explanation of the “input/out” was discussed during the site visit and a copy provided for evidence to the auditors. The water balance takes into consideration the frequency and distribution of precipitation events together with extremes and seasonal variations which provides a realistic approach. Discussions with regard to the Water Balance was undertaken with the hydrogeologist and Environmental manager.

The water balance calculation takes into consideration the rate at which the tailings are deposited in the TSF2. Estimated storm duration and storm events are not used in the water balance, however the following information is provided:

- According to the requirements of "Rules for ensuring industrial safety for tailings and sludge facilities of hazardous production facilities" Clause 24 (Kazakhstan national legislation

document) the elevation of the crest of the downstream tailings dam or the elevation of the above-water beach at the upper slope of the dam of upstream tailings embankments above the water level must comply with the design documentation throughout the entire period of operation and provide at least 1.5m.

Thus, the law prohibits overflow above 1.5 m to the level of the dam crest. Based on the calculation Appendix E (Kazakhstan national legislation document), "determination of the reserve above the calculated level", the height of the wind surge is 0.271 m, which does not exceed 1.5 m margin to the crest of the dam.

Climate data are included in the calculation. The climate data are provided by Kazakhstan Hydromet, a government agency.

The water balance includes precipitation entering TSF 2 from such as surface run off and takes into account differences in elevation and infiltration. The effects of potential freezing and thawing conditions on the accumulation of precipitation are included in the water balance calculations. Allowances have been made for potential solution losses such as the return water to the process plant and evaporation. There are no discharges to surface waters.

In cases of emergency with respect to TSF 2, overspill tailings ponds are available and were connected to TSF 1. The two ponds are also connected directly to the process plant, pipelines are in place. There is a “back up” diesel generator in the process plant that can be activated immediately.

The technical inventory of water within the TSF 2 considers all water inputs from the atmosphere and water within the tailings these are assessed against the output volume of return water, pan evaporation. Infiltration and encapsulated within the matrix of the tailings to enable the fit for purpose design of the facility in order to retain the desired volume of tailings to mitigate as far as possible the risks associated with the uncontrolled discharging of the tailing water into the local hydrological and hydro-geological system. There are no discharges direct to any surface waters.

Inspection of the tailings storage facility is undertaken daily at change of shift and monitored in accordance with the Operational Plan, prepared as part of the design organization responsibilities. All inspection logs and records are maintained apropos the Operational Plan.

TSF 2 is operated according to the design parameters which took into consideration the water balance calculations. The operating and monitoring procedures incorporate measures to prevent TSF 2 from overtopping. The operating freeboard is 1.5m. TSF 2 is strictly operated to the design parameters which takes into consideration the water balance calculations. The freeboard and

tailings solution volume in all ponds and impoundments are routinely monitored, as per the Operational Plan.

Meteorological information including precipitation is provided by Kazakhstan Hydromet (Kazhydromet), a government agency, from a station close to Varvara on a quarterly basis. This information is used to compare the design assumptions and revise operating practices as necessary.

The nearest meteorological station is located in Rudny town, some 51 km away from the mine which is deemed sufficiently close to the operation and is representative of topographic and climatic conditions. In Kazakhstan, the network of meteorological stations is managed by the Kazhydromet State Enterprise, which conducts monitoring throughout the entire country.

Standard of Practice 4.4

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

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

Summarize the basis for this Finding/Deficiencies Identified:

There are measures such as fencing and bird scarers (cannon and bird of prey sound) in place to prevent any livestock entering TSF 2 area. These were active during the site visit. In addition, security guards are present at the mine site at all times.

The tailings before leaving the process plant report to a de-toxification plant. The cyanide concentration is monitored as the tailings leave the de-toxification plant by the control room and also is linked to the process plant manager and chief engineer's computer.

Results from the computerized system showed the tailings results leaving the de-toxification plant as 10.9mg/l Free and 7.8mg/l WAD cyanide, thus confirming TSF 2 water level is below the ICMI requirement of 50mg/l WAD cyanide. There have been no recorded deaths to wildlife at TSF 2.

Varvara does not operate a heap leach pad; therefore, no issues exist with ponding on the heap surface or limit overspray of solution off the heap leach pad liner.

Standard of Practice 4.5

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

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

Summarize the basis for this Finding/Deficiencies Identified:

There are no direct or indirect discharges to surface waters from Varvara. Eight (8) new monitoring boreholes have been installed around TSF 2 which would intercept any seepages. These boreholes are monitored and to date no seepages have been recorded. It should also be noted that the integrity of the TSF is inspected at the change of each shift and that the integrity of the process water in TSF 2 has passed through a detoxification plant. A general arrangement plan indicating the new and existing boreholes was provided to the auditors.

Standard of Practice 4.6

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

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 4.6

Summarize the basis for this Finding/Deficiencies Identified:

Monitoring boreholes have been installed all around TSF 2 considering the down gradient of ground water. A general arrangement plan indicating the new and existing boreholes was provided to the auditors.

There are two overflow ponds available at the facility which are HDPE lined. Beneath the HDPE lining system is a drainage layer consisting of slotted pipe work, sand medium and a geosynthetic liner, to intercept any seepages. The collector pipes drain to the HDPE lined collector ponds. TSF2 is operated with a freeboard of 1.5m.

TSF 2 is managed using a “beaching” method, to give an equal spread of tailings and minimize water levels, pumps facilitate water being returned to the process plant.

All drainage water flows by gravity to drainage pumping stations No. 1 and No. 2 through the corresponding drainage main collectors. Drainage pumping stations No. 1 and No. 2 are located behind the downstream slope of the enclosure dam. The drainage pumping stations supply drainage water to the tailings storage facility via drainage water mains No. 1 and No. 2. The pumping stations operate year-round. Drainage pumping stations No. 1 and No. 2 are supplied as a complete, factory-assembled package, including a pavilion, housing (well), pumping equipment, shut-off and control valves with piping, metering devices, instrumentation, a hoist, and control cabinets. The pavilion is heated and ventilated and rests on a prepared foundation. The drainage pumping stations are equipped with two pumps (one working, one backup), which can operate simultaneously. The pumps operate automatically, depending on the water level in the wells. The maximum capacity of the drainage pumping stations is 700 m^3/h.

Drainage water returns to the TSF via corresponding pressure water lines. The drainage water lines are laid aboveground on supports.

The emergency pond is located in the northeast direction and is a monolithic reinforced concrete underground structure. The tank is made of concrete of appropriate strength. The evaporation pond is also built appropriately and is located within Varvarinskoye tenement.

Cyanide is monitored in both groundwater and surface water upstream and downstream in accordance with the monitoring plan.

Accredited laboratories in Kazakhstan define cyanide as “total”. Thus, the total Maximum Allowable Concentration (MAC) in drinking water as 0.035 mg/dm^3, this trigger level is used for water courses/bodies and domestic use. Groundwater trigger levels have not been defined; however, Varvara has adopted this level as their working standard.

Varvara test results reviewed by the auditors shows a variance range of <0.01 mg/dm^3 to 0.015 mg/dm^3, which is below the total trigger level of 0.035 mg/dm^3, the testing is undertaken by an accredited laboratory (“Ecology Business Consulting” LLC).

The auditors have reviewed the latest test results (lab test protocols) and concludes that the operation is compliant with the applicable limits (Maximum Allowable Concentrations) established by Kazakhstan state authorities.

All tailings report to TSF 2, tailings are not used for any backfilling.

No seepages have occurred; therefore, no remedial activity to prevent degradation or restoration beneficial use was required.

Standard of Practice 4.7

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

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

Summarize the basis for this Finding/Deficiencies Identified:

Provision for the containment of cyanide in case of spills are in place, for example tanks, pipes and pumps containing cyanide are all in bunded areas. The warehouse is purpose built, to prevent ingress of water. The auditors inspected the areas for bund and containment integrity during the site visit. All tanks are on concrete foundations within the bunds. All floors are concrete, the auditors checked all floors both in the bunds, process plant, mixing area and the storage warehouse for degradation. The floors and containments were well maintained, and no contamination pathways were noted.

Spill prevention kits are available in the process plant, mixing area and cyanide storage compound. The auditors were shown the equipment during the site visit.

The secondary containments for cyanide tanks have been sized to hold a volume greater than that of the largest tank within the containment and with additional capacity for any pipe drain back. Increases in bund capacity have been installed where required. All cyanide tanks and pipes have secondary containments. Procedures are in place whereby any cyanide solution collected in the secondary containments is collected within the closed loop system.

The collected solution is pumped into a process tank; the pumping station is controlled remotely by a dispatcher from the control center. The pumps are automated.

All cyanide tanks are in bunded areas, solution pipes are part of the circuit that is in the bunded area. TSF pipelines are double skinned, pipe within a pipe.

There are no surface waters in the area. Cyanide pipelines such as tailings and return water are in

secondary containments. The tanks are constructed of a steel alloy and are HDPE lined, all pipes are HDPE. HDPE is compatible with cyanide and high pH conditions.

Standard of Practice 4.8

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

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 4.8

Summarize the basis for this Finding/Deficiencies Identified:

The construction of the cyanide facilities (process plant, cyanide storage and TSF) have all been undertaken under a QA/QC program. The auditors were shown copies of the reports/results from the QA/QC during the site visit for all aspects of the constructions.

All QA/QC documents are available at the site. The information in the QA/QC documents was discussed such as: TSF 2 construction and engineering works, including soils compaction, lining system (1.5mm) HDPE, anchor trenches and related aspects. Discussions were also undertaken for the upgrade or closure of TSF 1. A QA/QC report included details of the process plant construction and engineering including specifications for concrete platforms, cyanide storage areas and tank platforms.

On completion of construction a QA/QC report is prepared and passed to Kazakhstan Authorities for approval and issue of a permit to use the facilities. No facility can be used/operated without official approval by the State. Construction Quality Assurance documents such as validation reports are available.

Standard of Practice 4.9

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

The operation is	✓ 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:

Varvara has developed procedures and monitoring activities for boreholes and sampling. The monitoring program showing sampling locations and protocols has been provided to the auditors and seems adequate. Monitoring locations for air, water, soil and biota can be seen on Figure D.

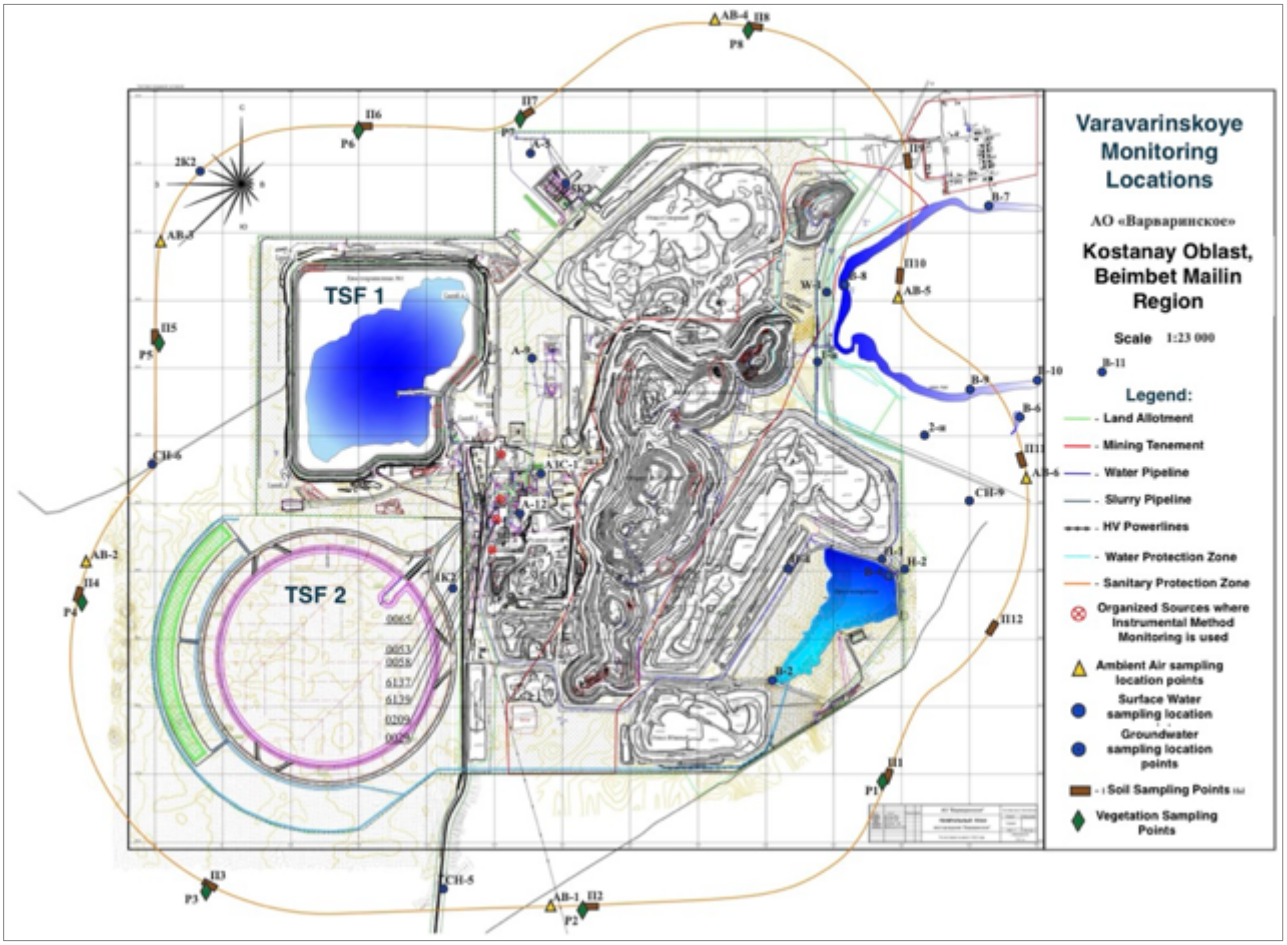


Figure D: Varvarinskoye JSC Monitoring Locations

Sampling is conducted apropos the monitoring program and seems sufficient. Groundwater sampling is upstream and downstream of cyanide facilities. As part of the monitoring activities, recording/photographing of wildlife is undertaken. Disturbance to wildlife is minimised during sampling procedures.

Sampling and analytical protocols have been developed in line with the local legislation. The actual sampling for Varvara is undertaken by an accredited laboratory LLC “Ecology Business Consulting” (EBC). EBC takes the samples and process them. The results are sent to Varvara chief ecologist.

EBC uses their own sampling equipment, sample preservation techniques are applied and samples are logged and taken away by EBC for analysis. Speciated cyanide (Free and WAD) are tested for.

Specific sampling locations have been identified, a plan to these was provided to the auditors and included new sampling locations around TSF 2. Sampling conditions are recorded in the sampling log. The log was provided to the auditors for review and seems adequate.

Daily inspections of TSF 2 and surrounding area include recording for wildlife mortality. No mortalities have been recorded.

Surface water (River Ayat), groundwater and air quality are taken every month, soils and snow melt are taken every 6 months. Locations of bio diversity are observed every 6 months at the same locations as the soils.

Varvara has a monitoring plan in place for groundwater, soils and fauna/flora. This is undertaken on a regular basis so identification of any changes can be addressed. The program of monitoring seems adequate and frequencies sufficient characterize the media being monitored. The monitoring results showed cyanide content below threshold.

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, livestock, and the environment.

The operation is	✓ 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:

Varvarinskoye JSC is in possession of several Closure Plans for its facilities, including but not limited to the open pit, waste dumps, toxic substances warehouse, TSF 1 and TSF 2. The documents are entitled “The Liquidation Plans” (Closure Plans). The Liquidation Plans were prepared by contractors EcoCentre LLP and Ecogeocenter LLP based on the Code of the Republic of Kazakhstan dated December 2017, No. 125-VI including amendments to the Code of 2018.1019 and 2020, as was established during the certification audit.

The main Liquidation Plan is for the Varvarinskoye operations, including the open pits, crushing units, buildings and the adjacent infrastructure. The Plan was updated and approved in 2023 and received all state approvals, as required. The Closure Plan provides reliable and comprehensive information on the planning of measures to liquidate the consequences of subsoil use, taking into account technical, environmental and social factors in order to protect the interests of stakeholders from dangerous consequences that may occur as a result of the cessation of mining operations. The Closure Plan defines the goals, objectives, and criteria for liquidation, develops liquidation options and a list of measures for each final liquidation option, presents a schedule for implementing these measures, and provides for post closure monitoring activities.

In addition, individual Closure Plan (Subsoil Use Mitigation Plan) was prepared for TSF 2 in 2024. “The subsoil use mitigation plan for the operation of Tailings Storage Facility No.2 at Varvarinskoye JSC” has been completed based on the requirements of Article 54, Clause 1, of the Code of the Republic of Kazakhstan "On Subsoil and Subsoil Use" dated December 27, 2017, No. 125-VI (as amended and supplemented as of July 22, 2024) and is compliant with the state requirements.

The closure plan was previously completed in 2020 and was approved by a comprehensive expert

review of the authorized subsoil use agency. This document provides for amendments to the mitigation plan, including changes to the cost estimates for mitigating the consequences of mining activities, due to the expiration of three years from the date of receipt of the last positive industrial safety and state environmental expert reviews, based on Clause 5, Article 260 of the Code of the Republic of Kazakhstan "On Subsoil and Subsoil Use" dated December 27, 2017, No. 125-VI.

The closure plan was developed in accordance with the “Instructions for drawing up a liquidation plan and the Methodology for calculating the approximate cost of liquidation of the consequences of a subsoil use operation” approved by order of the Minister of Investment and Development of the Republic of Kazakhstan dated May 24, 2018 No. 386.

The auditors were provided with a copy of the Plans and conclude that the Plans are detailed, adequate and state-approved. Both closure plans sufficiently address the cyanide decommissioning activities discussed in the *Guidance for Use of the Mining Operations Verification Protocol*.

According to the Code of the Republic of Kazakhstan dated December 27, 2017, "On Subsoil and Subsoil Use," a detailed study of technical solutions for mitigating the consequences of mining and processing operations within the Mining Contract Area, including an assessment of their impact on the environment and public health, is to be detailed in a special closure project (design) based on these plans, two years prior to the anticipated closure and the receipt of a closure permit from the state.

Schedule of decommissioning activities is contained in Section 8 of the Liquidation Plan. The cost estimate for decommissioning is updated every 3-5 years. The TSF 2 Closure Plan is designed for the next three years. Upon completion of this period, a new Closure Plan will be developed.

The Plan includes annual liquidation and monitoring activities, including monitoring the environmental impact of the production facility for subsequent closure.

The Republic of Kazakhstan document, namely Clause 2 Article 17 of the subsoil Code requires the liquidation plan to be reviewed "not later than three years from the last review or amendment". Therefore, necessary reviews are compulsory and take place apropos the legal requirements.

Standard of Practice 5.2

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

The operation is	✓ 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:

According to the Code "On Subsoil and Subsoil Use", the fulfillment of the subsoil user's obligation to liquidate may be secured by: a guarantee, a bank deposit pledge and (or) insurance. Varvara has organized a bank deposit pledge in different banks.

Cost estimates are included in the current liquidation plans to fully fund third-party decommissioning of the cyanide related infrastructure. Deductions to the liquidation fund are calculated annually at 1% of production costs, excluding all taxes — mineral extraction tax, payroll taxes, emissions, transportation, and others.

“Varvarinskoye” JSC has escrow accounts with Freedom bank (Freedom) and Centercredit bank (BCC) where the liquidation funds are kept. The funds are accessible to Varvara only upon approval of the state authorities, as the mining legislation dictates. In total, “Varvarinskoye” JSC has four accounts at the above banks with a Total balance of circa $4,1M. The banking agreements between Varvara and the banks have been provided to the auditors as evidence.

Cost estimates are from 2020 to 2036 using conversion factors and also include an “unforeseen work and costs of 2%”.

The amount of financial security is subject to adjustment no later than three years from the date of receipt of the last positive industrial safety and state environmental assessment reports (approvals); or in the event of changes to the mine plan in accordance with paragraph 5 of Article 216 of the Code "On Subsoil and Subsoil Use".

Schedule of decommissioning activities is contained in Section 8 of the Liquidation Plan. The cost estimate for decommissioning is updated every 3-5 years. It is a legal requirement from the Kazakhstan authorities that a sum of money is put in place in case of closure or premature closure. An account has been specifically opened for the liquidation fund; this money can only be drawn against on closure. The value of the fund is re-assessed every year and money is added.

The cost estimates were carried out in accordance with industry standards and guidelines and similar work in this area. The estimates are tagged to USD and can be found in the Liquidation Plan. The values have been accepted by the Kazakhstan authorities.

According to the Code "On Subsoil and Subsoil Use, a “subsoil user” may fulfil its closure obligations by a financial guarantee, a bank deposit pledge, and/or insurance. Closure is carried out at the expense of the subsoil user by law. The subsoil user is obligated to provide security for the fulfillment of its liquidation obligations. Providing such security does not relieve the subsoil user of the obligation to liquidate the consequences of subsoil use. Generally, bank transfers to the liquidation fund are calculated annually at 1% of production costs, excluding all taxes—mineral extraction tax, payroll taxes, emissions, transportation, and others.

Closure and remediation of subsoil use operations will be carried out in accordance with the design developed on the basis of the Closure Plan and following receipt of the final approvals from the industrial safety agency and state environmental agency.

Development, coordination, review, and approval of such a design for subsoil use remediation in accordance with the Land Law of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on architectural and construction activities must be no later than two years prior to the expiration of the Mining Contract or License.

In this connection, Varvarinskoye JSC is to actualize its cost estimates for closure, remediation and post monitoring activities in such a design and obtain relevant state approvals for the latter in due time.

Principle 6 | WORKER SAFETY

Protect workers' health and safety from exposure to cyanide.

Standard of Practice 6.1

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

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

Summarize the basis for this Finding/Deficiencies Identified:

Varvara operation has developed procedures describing how cyanide-related tasks such as unloading, mixing, plant operations, entry into confined spaces, working at heights and equipment decontamination prior to maintenance should be conducted to minimize worker exposure.

The task related procedures have been shown and examples provided to the auditor for review and include unloading, mixing, plant operations, entry into confined spaces and equipment decontamination prior to maintenance.

Varvara's updated process design regulations on the use of sodium cyanide at the Processing Plant have also been provided. These contain all necessary process information, including the safe handling of cyanide and emergency response actions.

In addition, the auditors have been provided with a procedure (Technological Regulations) on decontamination of returnable cyanide containers (dated 25 December 2024) as well as the decontamination procedure for wooden boxes (implemented in 2025). These regulations have been developed in accordance with the regulatory and legislative requirements of the Republic of Kazakhstan in the field of industrial safety and waste management.

The procedures require the use of personal protective equipment and address pre-work inspections; PPE requirements are contained in the task procedures and risk assessment sheets and have been checked by the auditors. The auditors have also been demonstrated the "Journal of Assigned Jobs" and "Journal of PPE Checks" and found the records in good order.

Workers are encouraged to assist with the development and evaluation of H&S procedures, either by requesting to attend a meeting, suggestions to line managers or direct contact with process plant manager and H&S manager.

In addition, Varvara runs various company-wide programs whereby the best suggestion from an employee receives financial remuneration. Any employee may apply, submit his/her proposal and win a prize.

Standard of Practice 6.2

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

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

Summarize the basis for this Finding/Deficiencies Identified:

Varvara operations determined the appropriate pH for limiting the evolution of hydrogen cyanide gas during mixing and production activities. The working pH level in the 20% cyanide solution is 9; pH in leaching tanks is 10,8, pH during sorption is 10,5, pH in TSF is 10,2.

Cyanide monitoring devises are installed at site “blue gas monitor” (A480-HNC-01). The alarm is triggered if HCN gas is detected at 3.0ppm (0,3mg/m^3) level.

The ERP describes the actions of employees if alert alarms are triggered. In addition, there is also a Regulation on the actions of personnel when cyanide is exceeded, safety for personnel is prescribed in these documents at all stages.

Other procedures have been provided to the auditors for:

- Procedure for gas analyser checks;
- H&S Instruction on cyanide handling (Toxic Storage Compound); and
- Operating procedures on using sodium cyanide at the Processing Plant (2024) which include the instructions if the alarm is sounded.

Cyanide storage tank is equipped with high level using device (A80-AHH-LT01) when the tank is full. The alarms while sounding in the process plant are also linked to the control room.

All operatives are monitored during work activities in the cyanide areas using a tracking system. The

tracker is attached to the hard hat and is monitored by the control room, so all the staff where abouts are known. The monitor also records if the hat becomes at an obscure angle for example for such as a fall.

Areas have been identified where cyanide exposure may occur and are noted in the procedures. The procedure also denotes the PPE to be worn. The auditors were provided with a demonstration of the tracking system during the visit.

Cyanide monitoring equipment has been installed in all areas where cyanide is used. The alarm is triggered if HCN gas is detected at 3.0ppm level. The auditors were taken on a tour of all the aspects where cyanide is used and confirms monitors are in appropriate locations.

If hydrogen cyanide gas or dust levels trigger the 3.0 ppm alarm level on the monitoring equipment, the actions to be taken by personnel are described in the “Regulations for working with highly toxic substances and chemical reagents at the Processing Plant”, Appendix 2 to the minutes of the meeting of the Board of the JSC No. 4 of 05/27/24 (valid for 5 years). The actions include calling the dispatcher, ventilating the room and administering first aid, if necessary. The actions in case of an emergency are further described by the ERP and include administering the antidotes and the oxygen, removing the coveralls and acting in accordance with the approved emergency response protocols.

All monitoring equipment is calibrated as directed by the manufacturer. Calibration certificates are retained for over 12 months. Calibration certificates were presented to the auditors for checking during the site visit and were found in good order and in validity.

Hydrogen cyanide gas monitors such as MGL 20M and 20A are annually submitted to an accredited laboratory for metrological certification. Calibration certificates are retained at for over three years, as required by the *Guidance for Use of the Mining Operations Verification Protocol* (June 2021).

Warning signs have been placed where cyanide is used, they include “Cyanide present”, “No smoking”, “No open flames”, “No eating”, “No drinking”; in addition, instruction signs for PPE are also on display.

During the site visit the Auditors checked the warning signs in the cyanide storage areas, process plant, laboratory and general areas in and around any of the facility where H&S signs are appropriate., including the tailings storage facility, and along the associated pipeline facilities between the process plant and the tailings impoundment. Subsequently additional signs were recommended by the Auditors which have been installed prior to the submission of this document to ICMI.

A colorant dye (Carmoisine) is being used in the cyanidation process, this is added during the mixing stage. It should be noted that during the site visit to the process plant there was no evidence of cyanide leakage.

There are 7 shower and eye bath stations in the process plant including the mixing area, the inspection of these for working order is part of the shift change procedure. The auditors were taken to the stations for a demonstration.

At the time of the audit, fire extinguisher maintenance has been carried out under the contract with Rudtekhstroy LLC No. AOV 2(01-1-0697). The auditors have been provided with Fire Extinguisher Logbook for crushing, grinding, flotation and sorption sections of the Processing Plant and confirm that the records are in good order. Maintenance records included recharging of fire extinguishers, replacement of worn flexible hoses and fire extinguishing agent sprayer, external inspection and control of the leakage rate of fire extinguishing agent, sealing shut-off and starting equipment, restoring the pictograms, weighing the mass of the fire extinguishing agent, replacement of faulty nuts, heads, pressure gauges, among other items.

Dry powder fire extinguishers are in place, in date and checked on a regular basis by the H&S department. The auditors were taken to these locations to confirm that they are suitable locations. Varvara runs 2 fire extinguishers per 100m^2 in industrial premises. Dry fire-fighting system is installed every 10 years. Wet fire fighting system is only present in the sauna.

All areas where cyanide is present or used has been identified and marked up to alert workers that cyanide is present. Varvara has painted all cyanide containing equipment (tanks, pipes, etc.) in the process plant purple and dark blue for easy recognition. Flow direction arrows are in place. Varvarinskoye operation labels the tailings delivery and return pipelines to alert workers of cyanide, including the direction of flow.

Information on cyanide safety is available for the work force in areas where cyanide is managed, such as MSDS and other informational materials, these are available in Russian and Kazakh languages.

No cyanide exposure incidents have occurred during this ICMC recertification period. However, procedures are in place to investigate and evaluate cyanide exposure incidents. Following any incident/accident reports are prepared, and if required updates to policies, plans, protocols and procedures are made as necessary to prevent further incidents.

Varvarinskoye operation has implemented the referenced investigation procedures for any non-cyanide-related incidents. The procedure for investigating incidents or accidents and any health injuries is defined in the Labor Code of the Republic of Kazakhstan. The company's incident investigation procedure is described in Occupational Health and Safety Management System (OHSMS) 013. Both the OHSMS and a sample Investigation Report dated January 23, 2025 (minor car accident), have been provided to the auditors and are found appropriate. There have been no accidents related to cyanide poisoning or exposures during this ICMC recertification period.

The scenarios of cyanide gas inhalation and incidents form part of the ER drills undertaken at site. During the visit a drill was undertaken with regard to being overcome by cyanide gas by one of the operatives in the Mixing area. The auditors observed, timed and filmed the drill and also received the investigation and drill report that followed. There is a procedure in place where any revisions due to the outcome of the report is implemented.

Standard of Practice 6.3

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

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

Summarize the basis for this Finding/Deficiencies Identified:

The site has a procedure for communicating an emergency, the first call is to the dispatcher who then communicates to all required departments and personnel.

Varvara has a walkie talkie system, all staff working in a cyanide area are provided with these. There is a dedicated channel for any emergencies.

Emergency response equipment such as resuscitators, oxygen, antidotes (Amyl Nitrite, sodium thiosulphate and glucose) and water can be located in the process plant (mixing plant) and cyanide storage areas. The auditors checked the dates and these were found to be correct.

The antidote crystals can be administered as an initial response till paramedics attend the scene to use antidote. This was demonstrated in the ER drill.

The first aid equipment is kept in a dedicated storage unit in the appropriate locations, which are

sealed. The first aid equipment is checked once a month, unless anything has been used and needs to be replaced. Varvara has a check list and logbooks; these have been demonstrated to the auditors.

The antidote crystals are refrigerated and kept in the process plant. They are kept as per the manufacturer recommendations. The auditors validated the dates. The crystals are used as a first response.

The antidote injection fluid (sodium thiosulphate) would be administered by trained medical staff attending the incident/accident. The antidote is kept at the onsite clinic (auditors visited) and stored as per the manufacturer guidelines, these were also checked for dates and found in validity.

Varvara has prepared an Emergency Response Plan (ERP) for each element of its operations which includes cyanide exposure scenarios and response actions.

Necessary responses to cyanide exposure through ingestion, inhalation, and absorption through the skin and eyes are described in separate procedures. Paramedics have demonstrated excellent knowledge of cyanide exposure responses during the site visit interviews and the emergency response drill.

There is an onsite clinic, ambulance and 2 trained paramedics who can administer antidote injections. Varvara has its own ambulance and a fire engine which are well maintained and equipped appropriately.

Varvara has its own ambulance, which is capable of taking patients to the local hospital. Procedures are in place for the transportation of patients to hospital and are reviewed as needed.

After a paramedic at Varvarinskoye JSC diagnoses hydrocyanic acid poisoning or sodium cyanide poisoning, the paramedic decides whether to transport the patient to the toxicology department of the nearest hospital. The decision to transport the patient is made solely by the paramedic and is independent of the decisions of other company officials. Depending on the severity of the patient's condition, the paramedic makes the following decisions:

- Transportation of the patient using the company’s special transport;
- Transportation of a patient by ambulance called from an ambulance station;
- A combined option involves sending the patient to the toxicology department using company transport and transferring him to an ambulance en route.

Transportation of patients in case of group poisoning is also covered in the procedures (“Regulations

on the use of sodium cyanide at the processing plant - 2023" approved by the minutes of the meeting of the Board of Directors of JSC Varvarinskoye on June 26, 2023 (35/23-omd) and its Amendment #1 of 2025). The procedures have been reviewed by the auditors and are found appropriate.

The local hospital is aware that cyanide is used at site and is capable of dealing with any cyanide poisoning incidents. Varvara is confident that the hospital would be capable and has provided the state approved treatment protocol to be used during the cyanide poisoning. The auditors discussed this aspect with the clinical paramedic to confirm the alliance between Varvara and the hospital.

Principle 7 | EMERGENCY RESPONSE

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

Standard of Practice 7.1

Prepare detailed emergency response plans for potential cyanide releases.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 7.1

Summarize the basis for this Finding/Deficiencies Identified:

Varvara has developed Emergency Response Plans (ERPs) for each element of its operations, such as the Processing Plant, TSF, Cyanide Storage and cyanide transportation, these have been provided to the auditors for review and were found appropriate and in compliance with ICMI principles.

The Plans consider the potential cyanide failure scenarios appropriate for the site- specific operating circumstances. There is a dedicated section in the ERP that discusses hydrogen cyanide releases in a scenario deemed catastrophic.

It should be noted that Varvara has also developed a standalone policy aimed at prevention of significant incidents at the mine, namely “Major environmental incident prevention program in mining waste management for Varvarinskoye JSC”, which was approved and implemented in 2025. The policy was developed in accordance with the "Rules for the development of a program for the prevention of major environmental incidents in the management of mining waste, as well as an internal response plan for such incidents" approved by the joint order of the Minister of Emergency Situations of the Republic of Kazakhstan dated September 15, 2021 No. 449 and the Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan dated September 14, 2021 No. 376.

The program provides measures to prevent major environmental incidents in mining waste management. It was developed with due regard for the use of best available techniques to ensure the implementation of waste-free and low-waste technologies. The program is reviewed in the event of significant changes in the operating conditions of the waste disposal facility and every ten years, as well as the nature of the waste being stored.

There are individual ERPs at Varvara covering cyanide transportation on site using truck and trailer

and also by own railway from Bataly Railway Station to Varvarinskoye Railway Station. These ERPs have been reviewed by the auditors and are found to be compliant with the Code principles.

The only road transport for the cyanide is onsite from Varvara`s own rail platform to the cyanide storage compound. Transport emergency response scenarios are undertaken regularly apropos the Training Program. The auditors discussed the actions the driver takes and also reviewed the incident reports.

Cyanide releases during uploading and mixing have been included in the ERPs. The ERPs cover the scenarios likely to be reasonably expected to occur at site and determines the possible impacts thereof as well as actions and persons responsible. Fire and explosion related procedures are in place. Pipe, valve and tank ruptures have been included in cyanide ERP scenarios. The ER drill undertaken during the cyanide audit involved a pipe rupture and a worker overcome with fumes.

Procedures are in place and ERP drills have been undertaken for overtopping and breaches. Power outages and pump failures for cyanide are included in the ERP scenarios. Uncontrolled seepages are included in the ERP scenarios. Scenarios for failure of cyanide treatment, destruction or recovery systems are included in the ERP as well as Standard Operating Procedures. Scenarios for ER drills include emergencies at the TSF; there is a separate ERP for TSF implemented at the facility.

Transportation of cyanide to the mine site is by Russian Rail (RZD) from Dzerzhinsk to Kartaly, Kazakhstan Rail from Kartaly to Bataly and Solidcore Resources (Varvara) own railway from Bataly to their platform (3km). RZD and Kazakhstan Railway have their own Emergency response plans. Varvara has prepared an ERP for their rail connection and provided a copy to the auditors. The ERP has considered the physical form of cyanide being carried (solid Briquettes), the shipping containers (UN approved) are inspected before being picked up by Varvara's locomotive.

The Varvara rail link is on a rolling program of maintenance as is the platform and the locomotive. The Varvara rail link is flat and straight. The auditors travelled alongside the rail link, and would confirm that it is in good condition and well maintained. The platform has been purpose built for the delivery of shipping containers.

The emergency response procedures describe procedures for clearing site personnel and potentially affected communities from the area of exposure and describe relevant evacuation measures. Ultimately, evacuation of the communities is the responsibility of Republic of Kazakhstan Civil Protection.

The Plans describe the actions required for clearing the area, demarcation of the area and call out procedure. The ER Team would attend the incident/accident and apply first aid and administer any

antidote if required. If any cyanide is spilled the ER team would initiate the clean-up. After-care monitoring and testing would be undertaken by the environmental department, supported by a licensed contractor if sampling is required.

Varvara emergency response procedures describe the use of cyanide antidotes and first aid measures for cyanide exposures.

Antidote crystals are available as a first response to cyanide exposure. Further treatment such as antidote injections are administered by the trained paramedics.

The Plans describe the actions to control any releases that may occur. If any cyanide is spilled the ER team would initiate the clean-up. After-care monitoring and testing would be undertaken by the environmental department, supported by the subcontractor if sampling is required.

The Plans describe containment, assessment, mitigation and future prevention of releases. For any disruption or if spill is encountered, a report is undertaken to investigate the issue and actions taken accordingly to prevent recurrence. If any cyanide is spilled the ER team would initiate the clean-up.

Actions for future prevention of emissions after a major emergency are outlined in the Program for the Prevention of Major Environmental Incidents in Mining Waste Management for JSC Varvarinskoye from 2025, as referenced in the ERPs.

Standard of Practice 7.2

Involve site personnel and stakeholders in the planning process.

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

Summarize the basis for this Finding/Deficiencies Identified:

Varvara has given opportunities for stakeholder input and workers contributions to the ERPs. The opportunities are such as: open door policies, e-mails, suggestion boxes, tool box talks and H&S meetings. Varvara has a community liaison team who invite participation by the local communities and stakeholders to engage with them on ERPs.

The local communities are aware of the use of cyanide at site and Varvara has a community liaison manager as well as grievance mechanism available to all stakeholders. Many members of the

workforce are from the local community.

In addition, public consultations are conducted prior to construction of any facility at the mine site, including one where cyanide can be encountered.

The ERPs discuss roles and responsibilities of outside responders and how the interaction is managed in Varvara's document: *"Distribution of responsibilities between persons participating in the elimination of the accident and the procedure of their action".*

Varvara ERPs are available for the community to comment upon. The auditors reviewed the Logbook of questions and requests from stakeholders and are satisfied that the community liaison is at a good level.

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 ☐ not in compliance with	Standard of Practice 7.3

Summarize the basis for this Finding/Deficiencies Identified:

The ERPs discuss the roles and responsibilities of staff that would be involved in an emergency. The nominated controller can authorize the use of resources. Provision is also made for alternative controller to be able to authorize any needed equipment, including PPE and staff.

In total, on site there are 64 trained emergency responders and 2 paramedics. They are distributed throughout Varvara's operation. A minimum of 7 responders are on each shift in the process plant where cyanide is used.

There are poster boards with photos and names of the ER teams for specific areas which include the 2 paramedics.

A program of training for emergency responders has been provided and includes subject matter to be taught. The ER Manager is externally trained every 3 years. The ER Manager trains the onsite ER team members. Refresher training is provided for ER team members trainer every year.

Each ERP has a list of contacts, phone numbers and a procedure for the alert and has a dedicated section to roles and responsibilities for the coordinators and the team members.

Each scenario has a breakdown of the PPE required and discusses the equipment/work required for the task. The list of ER equipment and PPE is contained in the ERP. ER equipment can be found in the designated locations where cyanide is used. During the site visit the auditors were shown the locations and the equipment.
There are procedures in place to inspect emergency response equipment to ensure its availability. The equipment is tested for readiness for use in emergency situations by the head of the emergency rescue team. This test period is once per shift and after each use, including during training mock drills and alerts.

Ultimately, it is the responsibility of the shift manager to ensure that the ER equipment is available and conforms to the check list developed. Outside Responders discussed in "Distribution of responsibilities between persons participating in the elimination of the accident and the procedure of their action" include various state services. Solidcore Resources ERP controller organises and calls in whichever service required to help deal with an emergency.

In accordance with Kazakhstan Law "On Civil Protection", Inspectors from the Industrial Safety Department who take part in emergency drills. The Inspectors then inform all interested parties as per the notification list, this is an integral part of the accident response plan. Familiarization with the ERP is carried out annually.

Standard of Practice 7.4

Develop procedures for internal and external emergency notification and reporting.

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

Summarize the basis for this Finding/Deficiencies Identified:

The ERPs include a list of contacts and the procedure for the communicating the information to management, regulatory agencies, outside responders and medical facilities. Communications with the media should a cyanide incident occur will be through the Kazakhstan Civil Defense.

Any major accidents/incidents would be communicated to the community by the Kazakhstan Civil Defense, who would advise the actions needed by the community.

In the event of a major environmental incident related to TSF, Varvara is required to immediately

notify the authorized environmental protection agency by any available means and provide all necessary information and assistance to minimize the consequences of such an incident for human life and health and to assess the extent of actual and potential environmental damage, as required by paragraph 4 of Article 362 of the Code.

The operation has developed a procedure for notifying ICMI of any significant cyanide incidents, this is included into the Emergency Response Plan and evidenced by the auditors. A copy of each ERP was provided to the auditors. Varvara's Public Relations Department is responsible for notifying the ICMI Institute of significant accidents involving sodium cyanide. No cyanide related incidents have occurred to date.

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.

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

Summarize the basis for this Finding/Deficiencies Identified:

Residual content of cyanide in the soil is not allowed. The procedure for disposal and disposal location of materials contaminated with cyanide is indicated in the TSF ERP (disposal in the tailings).

If a cyanide solution spill/leakage occurs in the plant (large volume) then it is pumped into the emergency tank, the emergency tank has been constructed on a concrete platform in a bunded area. Once the emergency has been eliminated any residues are neutralized with hydrogen peroxide, details are included in the ERP. The neutralizing solution is hydrogen peroxide, this is purchased in a "ready made" form and is stored at the process plant and mainly used to neutralize cyanide before tailings go to the TSF.

As regards possible aftercare, soil analysis will be performed to determine that the spill has been completely cleaned up, within the framework of the industrial environmental control, laboratory tests of soils and groundwater are carried out, under an agreement with an accredited laboratory, such mechanism is provided for in the industrial environmental control program (section 14 "information on possible emergency situations") and in the action plan for localization and elimination of accidents (documents provided to the auditors).

Scenarios in the ERPs describe how contaminated media and soils need to be treated. In case of spillages and soils contamination, the soils are recovered and taken to the process plant for neutralization with hydrogen peroxide before being taken to the TSF.

Scenarios in the ERPs describe how contaminated media and soils need to be removed. If sodium cyanide solutions spill onto the soil, contaminated soil will be assessed and sent for disposal to Tailings Storage Facility No.2.

The ERPs include a provision for an alternate drinking water supply as bottled water, in the event that a cyanide release impacts potable supplies. Regardless of an accidental release of cyanide or its absence, personnel are provided with bottled drinking water on a permanent basis. Should there be any incidents in contaminating the local water supply Varvara would supply potable water, although it would come under the responsibility of Republic of Kazakhstan Civil Protection (article 4 clauses 3 and 5) emergency regime, by law.

Varvara does not discharge any water to local water courses, nor are there opportunities for cyanide spilling during transit from the platform to the cyanide warehouse where cyanide could reach a water course. The nearest water course is 7km away, the River Ayat. Given the hydrogeological assessment this would be an unlikely occurrence. Therefore, it has not been specifically written into the ERPs.

If a sodium cyanide container is damaged in a traffic accident, the spilled sodium cyanide would be collected in a new container and returned to the unpacking area. If sodium cyanide spills on surfaces where there is a risk of contamination of groundwater or surface water, it is prohibited to treat these surfaces with sodium hypochlorite, ferrous sulfate, or hydrogen peroxide, as stated in the ERPs.

The Plans address the potential need for environmental monitoring following any incidents; the Chief Ecologist would visit the affected locations to assess any environmental impacts and the need for monitoring. If the Chief Ecologist determines sampling needs to be undertaken, a licensed subcontractor may be involved to perform the task, as necessary.

Sampling locations are determined in accordance with the Industrial Environmental Monitoring Program to assess the environmental impact of cyanide releases. Additional sampling locations are identified visually. The sampling method complies with the Kazakhstan Republic standards and other applicable standards.

The sample volume must correspond to that specified in the regulatory document for the method for determining a specific parameter, taking into account the number of parameters being

determined and the possibility of repeat testing. In order to obtain a single sample reflecting the composition and properties of water at a given sampling point, water may be sampled multiple times at that sampling point over the shortest possible period.

The sampling method is selected based on the water type, its pressure, flow, temperature, sampling depth, the purpose of the study, and the list of parameters being determined, with the aim of eliminating (minimizing) possible changes in the parameter being determined during the sampling process. Water samples must be tested within 2 days, observing the storage conditions.

Samples would be collected manually using special devices or automated equipment with sampling results recorded in a report. Samples received by a laboratory for testing will be recorded in a logbook, with the number of containers for each sample indicated.

Standard of Practice 7.6

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

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

Summarize the basis for this Finding/Deficiencies Identified:

The ERPs are reviewed on a regular basis by the H&S and Process Managers. The Plans are subject to approval as follows: initial approval, periodic approval (annually) and extraordinary approval as needed.

Cyanide emergency drills are carried regularly in accordance with the approved program. The emergency drills conducted over this ICMC recertification period were field exercises and tested the entire cyanide emergency response process from the initial emergency callout notification through to the close-out of the response process. Drills are also conducted jointly with the Ministry of Emergency Situations.

A drill was undertaken during the Auditor's site visit (24 September, 2025), the scenario was a pipeline rupture and worker overcome with cyanide gas. The drill was a field exercise and tested the entire cyanide emergency response process where the participants demonstrated excellent knowledge and coordination.

Cyanide drills are undertaken as a minimum 3 times a year. Outcomes of drills are evaluated as to whether further training is required for ER team or revisions to procedures and plans are needed.

Outside responders have been included, namely the Kazakhstan fire brigade in cyanide drills.

Reports and evaluations following any ER drills and any incidents are undertaken, this includes evaluations related to cyanide. Procedures are in place for the updating, revising of procedures and implemented as necessary in the appropriate emergency response documents, this also applies to cyanide related incidents. Drill reports were provided to the auditors for review, the reports included timings, participants, lessons learnt, corrective actions and areas for improvement.

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 ☐ not in compliance with	Standard of Practice 8.1

Summarize the basis for this Finding/Deficiencies Identified:

Cyanide awareness and task training is undertaken by all workers. All employees at site regardless of whether they work in the cyanide areas are made aware of the use of cyanide at site and the associated hazards, including health effects and symptoms, the training discusses the procedures to follow in the event of exposure.

As of 2024, cyanide management system training was introduced and includes the following:

1. First Aid;
2. Technology behind cyanide;
3. Ecology related, and
4. Industrial Safety.

The training was available to the workers and managers that had access to the personal computers and also availability of the training was ensured at the training stations, all trainees had to gain 8 points out of 10 to pass.

All cyanide workers are on a rolling program of refresher training (every 3 months).

There is a training record for each member of staff. For each training session a certificate is issued. The records are kept for a minimum of 5 years. The auditors requested training records for some of the staff encountered during the site visit, in order to cross check record keeping and availability of the records.

Standard of Practice 8.2

Train appropriate personnel to operate the facility according to systems and procedures that

protect human health, the community and the environment.

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

Summarize the basis for this Finding/Deficiencies Identified:

Workers are trained for their specific tasks. Before they work alone following the training they are accompanied and evaluated for competency by an experienced worker for a minimum of 2 weeks. If the worker is not deemed competent further training and task competency is required.

Training materials have been prepared for all the specific tasks involving cyanide. Task procedures are available in each relative department.

The training is undertaken by qualified training staff who have experience also in the area being taught. Personnel who conduct cyanide-related task training possess the required task knowledge and effective communication skills.

In accordance with Company Order No. AOV/P-295 dated September 18, 2024, training materials have been prepared and in-house training has been conducted for the Process Plant employees. The trainers possess necessary knowledge, skills and education. Certificates and diplomas have been presented to the Auditors to corroborate this statement.

All employees are trained prior to working with cyanide. Training records selected for random employees have been reviewed by the auditors during the site visit. Refresher task training is undertaken every 3 months.

Varvara operation evaluates the effectiveness of cyanide training by online testing and observation.

Training records are kept for all employees tracking their training. Varvara retains the training records throughout an employee's employment. Each training session has a record or a certificate that is issued and signatures required from an employee, counter signed by the trainer. Before anyone is allowed to work with cyanide a two-week assessment with an experienced worker is undertaken.

The auditors were shown the training records and reviewed several employee`s certificates to cross check this process. The employees included the crane operator, truck and trailer driver, mixing plant

operatives and others.

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 ☐ not in compliance with	Standard of Practice 8.3

Summarize the basis for this Finding/Deficiencies Identified:

As part of cyanide training procedures such as unloading, mixing, production and maintenance personnel are trained in ERP procedures and decontamination. First Aid training is also provided to all staff at Varvara.

The ERP training is provided by a qualified ERP trainer who also specializes in Cyanide incidents/accidents. All site personnel receive specific ERP training. Additionally, members of the ERP team work in all locations where cyanide is handled, stored and used.

Before any member of staff is allowed to work on site regardless of position, cyanide awareness training is undertaken. Task training is provided depending on the nature of the job, if this includes cyanide additional cyanide training is provided.

Refresher training for anyone working with cyanide is provided on a rolling program. Competency checking for task performance is on a strict regime before a person is allowed to work alone. Refresher training is undertaken every 3 months, which includes cyanide release and exposure scenarios. Emergency response training records are kept for at least 5 years.

The ER Coordinators and ER Team members are trained in the procedures included in the ERP with regard to cyanide, which also includes the use of necessary response equipment.

Off-site responders are aware of Varvara ERP and have copies. The external responders are aware of what emergency response actions are required with regard to incidents involving cyanide.

Training records retained documenting an employee's cyanide training; the record as a minimum

includes the names of the employee and the trainer, the date of training, the topics covered, and how the employee demonstrated an understanding of the training materials.

Principle 9 | DIALOGUE AND DISCLOSURE

Engage in public consultation and disclosure.

Standard of Practice 9.1

Promote dialogue with stakeholders regarding cyanide management and responsibly address identified concerns.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 9.1

Summarize the basis for this Finding/Deficiencies Identified:

Varvara provides opportunities for communications from the community and other stakeholders (such as local civil defense, Kazakhstan mining inspectors, NGOs), it uses several communication channels, such as company website, dedicated telephone number to the community liaison manager and annual public meetings. The meeting outcomes are documented in Minutes of the Meeting, samples have been provided to the Auditors.

Minutes/notes from meetings, telephone calls and written statements are recorded and actioned as necessary. The auditors have reviewed the public consultation records and are satisfied that the level of Varvara's engagement into community liaison is a good one.

Thus, in 2025 there have been several requests from the local communities, however, there have been no questions from the communities pertaining to cyanide, the questions generally are concerned with the social aid, education and environmental initiatives.

Standard of Practice 9.2

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

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

Summarize the basis for this Finding/Deficiencies Identified:

Varvara has prepared an information booklet and has also undertaken TV information. The booklet

has been distributed in the community and remains available for any interested stakeholders. The local community is not illiterate, therefore can read a booklet.

Procedures for making information public are contained in Varvara's procedure DP 03-007 "Emergency Response" and DP 03-009 "Dialogue" (Section 4.3), which outline the schemes for interaction / informing the public concerned for such as exposure incidents (hospitalization and fatalities), remediation requirements, health concerns, and environmental protection.

The requirement to notify the local population is set out in the Law of the Republic of Kazakhstan "On Civil Protection of the Population" (in paragraphs 11, 70-1, article 12, article 49). Also, Varvara internal standards, if an emergency occurs, the state emergency authorities are notified, the emergency authorities further assess the situation and decide on the need for a general immediate notification of the local population or indicate the incident without consequences in their reporting data. This is described in both DPs (in DP 03-007 - section 4.3, in DP 03-009, paragraph 9.3.3).

Hydrogen cyanide gas releases or cyanide spills have never occurred at Varvara to date. However, should a release occur Varvara would report to the Kazakhstan authorities in accordance with the local legislation as soon as it occurs to ensure compliance with reporting regulations. For sudden, accidental releases, international guidelines reporting to authorities would be used as follows:

- Hydrogen Cyanide: The reporting threshold for a single accidental spill is typically 10 pounds (approx. 4.5 kg), and
- Cyanide Salts: Potassium, sodium, and calcium cyanide also generally share this 10-pound reporting requirement.

Also, as regards information outside the emergency situation, Varvara provides information on request from interested parties, including associated with cyanides or published in Varvara's reporting.