

NON-COMPLIANCE CORRECTIVE ACTION PLAN

SEMOS (Société d'Exploitation des Mines d'Or de Sadiola) **Sadiola Gold Plant**

Introduction

One of the components of auditing the ICMI (International Cyanide Management Institute) Cyanide Code is the development of a Corrective Action Plan for those parts of the audit findings that have been found to be in substantial compliance or non-compliant, and require focused responses to take the site back to full compliance.

In the case of Corrective Action Plans for Non-Compliance findings, ICMI requirements do not set a time limit, just a framework to get the site back to full compliance.

The section below details the corrective actions the SEMOS Sadiola Gold Plant indicated that they will work on to bring the operation back into full compliance.

Corrective Action Plan

Principle 5 – DECOMMISSIONING Protect communities and the environment from cyanide through development & implementation of decommissioning plans for cyanide facilities.

Decommissioning Practice 5.2 - Establish a financial assurance mechanism capable of fully funding cyanide-related decommissioning activities.

5.2.1 - Develop an estimate of the cost to fully fund third-party implementation of the cyanide-related decommissioning measures as identified in its site decommissioning or closure plan

Deficiencies

- No evidence was provided of an Allied Gold Corporation (New owners who took ownership on 31 December 2020) approved Closure Plan including cyanide decommissioning and decontamination costs.

Corrective Actions

- Closure and cyanide decontamination cost estimates documentation needs to be provided which are approved/supported by the new owners of Sadiola.

Evidence for Auditors

- Closure and cyanide decontamination cost estimates documentation formally approved by the Allied Gold Corporation, the new owners of Sadiola.

5.2.2 - review and update the cost estimate at least every five years, and when revisions to the decommissioning plan are made that affect cyanide-related decommissioning activities.

Deficiencies

- No evidence was provided regarding the proposed review and updating time schedule of cyanide-related decommissioning cost estimates under the new owners, Allied Gold Corporation.

Corrective Actions

- Need to know if the operation plans to review and update the cyanide-related decommissioning cost estimates at least every five years and that this will be approved by the new owners, Allied Gold Corporation.

Evidence for Auditors

- A procedure, management instruction or other formally approved document indicating that the operation will review and update the cyanide-related decommissioning cost estimates at least every five years. This should be supported/approved by the new owners, Allied Gold Corporation

5.2.3 - establish a financial mechanism approved by the applicable jurisdiction to cover the estimated costs for cyanide-related decommissioning activities as identified in its decommissioning and closure strategy

Deficiencies

- The Malian Government has not established requirements for a financial mechanism to cover the estimated costs for cyanide-related decommissioning activities as identified in its decommissioning and closure strategy. The operation could not submit evidence that it had established a financial mechanism to cover the estimated costs for cyanide-related decommissioning activities as identified in its decommissioning and closure strategy.

Corrective Actions

- Documentation will be amended/developed to show a financial mechanism to cover the estimated costs for cyanide-related

decommissioning activities as identified in its decommissioning and closure strategy.

Evidence for Auditors

Evidence required by auditors to confirm the corrective actions have been implemented effectively: -

- Documentation to show a financial mechanism to cover the estimated costs for cyanide-related decommissioning activities as identified in its decommissioning and closure strategy.

5.2.4 - If the applicable jurisdiction does not require financial guarantees, has the operation established a mechanism other than self-insurance or self-guarantee to cover estimated costs for the cyanide-related decommissioning activities as identified in its decommissioning and closure strategy?

Deficiencies

- The operation could not provide evidence that it had established a self-insurance or self-guarantee to cover estimated costs for the cyanide-related decommissioning activities as identified in its decommissioning and closure strategy.

Corrective Actions

- The operation will provide evidence that it had established an insurance or bank guarantee to cover estimated costs for the cyanide-related decommissioning activities as identified in its decommissioning and closure strategy.

OR

- The operation will establish a self-insurance or self-guarantee to cover estimated costs for the cyanide-related decommissioning activities as identified in its decommissioning and closure strategy. This will be verified by a Statement of Financial Strength, prepared according to ICMI requirements, by a certified financial auditor.

Evidence for Auditors

Evidence required by auditors to confirm the corrective actions have been implemented effectively: -

- Evidence of an insurance or bank guarantee to cover estimated costs for the cyanide-related decommissioning activities.

OR

- Evidence of a self-insurance or self-guarantee to cover estimated costs for the cyanide-related decommissioning activities.

5.2.5 - If the operation has established a self-insurance or self-guarantee to cover estimated costs for the cyanide-related decommissioning activities as identified in its decommissioning and closure strategy, has the operation provided a statement by a qualified financial auditor that it has sufficient financial strength to fulfil this obligation as demonstrated by an accepted financial evaluation methodology?

Deficiencies

- No evidence could be shown that the operation has established a self-insurance or self-guarantee to cover estimated costs for the cyanide-related decommissioning activities as identified in its decommissioning and closure strategy. Furthermore, a statement by a qualified financial auditor that the operation has sufficient financial strength to fulfil this obligation, as demonstrated by an accepted financial evaluation methodology, could not be provided.

Corrective Actions

- If the operation provides evidence of a self-insurance or self-guarantee to cover estimated costs for the cyanide-related decommissioning activities as identified in its decommissioning and closure strategy. In that case, a statement by a qualified financial auditor that it has sufficient financial strength to fulfil this obligation, as demonstrated by an accepted financial evaluation methodology, will be provided.

Evidence for Auditors

Evidence required by auditors to confirm the corrective actions have been implemented effectively: -

- A statement of Financial Strength prepared by a qualified financial auditor that the operation has sufficient financial strength to fulfil its cyanide-related decommissioning activities obligation, as demonstrated by an accepted financial evaluation methodology.

OR

- None, if the operation has provided evidence of bank or insurance guarantees in 5.2.4 above.

NOTE

If the operation has established guarantees or other bank- or insurance-type guarantees or bonds and securities covering the cyanide-related decommissioning activities, 5.2.5 will fall away. Otherwise, the Statement of Financial Strength will be required.

Completion Date: - No specified target dates have been set as this is a non-compliance corrective action plan.



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