

Gold Mining Operations

Summary Audit Report

for

***Minera Sierra Antapite S.A.C/ Sierra Sun
MiningCo.***

Perú/ October 2023.

Prepared by NCABrasil Expert Auditors Ltd.

www.globalsheq.com

This report contains 35 (thirty-five) pages.



Sierra Antapite
Name of Mine

Signature of Lead Auditor

17/08/2024
Date

SUMMARY AUDIT REPORT FOR GOLD MINING OPERATIONS

Instructions

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

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

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



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Name of Mine: Minera Sierra Antapite S.A.C.
Name of Mine Owner: Minera Sierra Antapite S.A.C.
Name of Mine Operator: Minera Sierra Antapite S.A.C.
Name of Responsible Manager: Ing. Horacio Alfredo Meza Velarde
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Location detail and description of operation:

Location:

The Sierra Antapite Mining unit exploits gold and was acquired from Buenaventura Mining Group in December 2016. It is located in the district of Ocoyo, province of Huaytará, department of Huancavelica at an altitude between 3,350 and 3,380 meters above sea level. It is accessible from the city of Ica (Km 307 of the Panamericana Sur road) town of Los Aquijes, from where the unpaved uphill road starts towards Tingue – Cordova – Antapite (130 km approx.).

Description of operation:

a) General information:

The Antapite deposit is an underground mining complex, where the exploitation with the sub level stopping method as well as the recovery of fill with the long drilling method (mechanized) is used. Tailings are not used as backfill. Cyanide is not used in the mining exploitation process.

The operation uses solid sodium cyanide (NaCN) in briquettes (please refer to Principle 1), which is delivered in standard packages (bigbag inside a wooden box) and delivered by a qualified transporter (please refer to Principle 2). The operation has a specific warehouse to store the NaCN boxes (please refer to Principle 3) and no other material is stored in this warehouse. The operation uses water obtained from two different sources (from the tailings dam, used as industrial water to feed the leaching tanks (not used in the milling process) and fresh water to be used in other process phases.

1. ORE PROCESSING:

1.1. Process Description:

The processing plant of Antapite has a treatment capacity of 800 tmsd (solids metric ton per day) on a continuous basis and is producing gold doré bars from ore that analyzes 2.5 to 4 grams of gold per ton.



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1.1.1. **Crushing:**

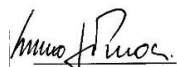
Ore from mine with moisture ranging from 5.0% to 9.0% is fed to the ore bin of 200 mt (metric ton) capacity, the product from this ore bin is received by conveyor belt No. 1. The ore stored in the ore bin is fed through a 36" x 10 m belt feeder No. 1 to a Traylor 15"x30" jaw crusher where the ore is reduced to 4". The product is transported through conveyor belt No. 1 of 24" to the Simplicity (trademark) 5'x14' single-deck screen with self-cleaning meshes of 3/8" opening in lower deck that allows obtaining a passing product of 100% < 3/8", which is stored in the fine ore bin with a capacity of 500 mt. The 24" conveyor belt No. 1 has an Eriez self-cleaning electromagnet. Ore larger than 3/8" is unloaded to the 24" conveyor belt No. 2, which feeds the Symons (trademark) 4 ¼' standard cone crusher; the unloading from the secondary crusher goes to the 24" conveyor belt No. 1, closing the circuit. There is a metal detector attached to conveyor belt No. 2 for detecting metals and removing them from the process. There are also two DCL (trademark) dust collectors, each one located next to the ore unloading from both crushers to the 24" conveyor belt No. 1. It should be noted that according to the grade obtained from the stockpiled ore batches, blending is performed with the ore obtained from the mine veins. After the blending is carried out, it is supplied to the ore bin.

1.1.2. **Grinding:**

○ **Primary Grinding**

The crushed ore, stored in the 500 mt fine ore bin, is unloaded through the 36" x 6.3 m belt feeder No. 2 to the 24" conveyor belt No. 4, which in turn unloads to the 24" conveyor belt No. 5 and feeds the Allis Chalmers (trademark) 9'x13' primary ball mill. Conveyor No. 5 has a Ramsey (trademark) Micro-Tech 2000 belt scale and a 24" Denver sampler. Water is brought in with the industrial water lines connected from tanks #3 and #4, which will allow controlling parameters such as pulp density in the grinding mill between 1600 - 1650 g/lt (grams per liter). Unloading from the primary grinding mill is driven by two Warman (trademark) 6" x 4" pumps (one in operation and one in standby) to the first cluster of 6 ICBA D10B (trademark) cyclones. Pressure must be maintained between 10 - 11 psi (pound per square inch). The product from the overflow goes through a 3/16" opening trommel that will allow separating the waste wood and then continue to the next stage, while the underflow returns to the 9" x13" mill.

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○ Secondary Grinding:

The fine fraction from the first cyclone cluster will go to the 6" x 6" secondary pump box, the secondary pump (there is one in operation and one in standby) receives the fine materials from the first cyclone cluster, the tailings from the concentrator and the unloading from the secondary mill 8' x 10' and drives this pulp to the second cyclone cluster made up by six D10 (model) cyclones (10 inches diameter), maintaining the pressure in cyclones between 19 - 21 psi, the unload density in the secondary mill ranges between 1700 - 1800 g/l.

Thirty percent of the pulp that enters the cyclone cluster is fed to the gravimetric circuit where it is received by a 5' x 9' Sizeitac (trademark) sieve, and then unloaded to the N°1 or N° 2 Falcon (trademark) concentrator model SB-750, the tailing of which returns to the 6" x 6" secondary pump box and 70% of the pulp is classified in the D10 cyclone cluster, where the overflow product is fed to the cyanidation circuit and the underflow from the cyclones returns to the secondary mill, closing the circuit. The final grinding product has a particle size of < 95% less than 200 mesh.

The mill compensation system has two ATLAS COPCO (trademark) GA 7 No. 1 and GA 7 compressors. In the secondary mill, lime is dosed to maintain a pH (Hydrogen potential) of 10.0 to 11.5 in the 60' x 12' thickener. Also, for any operational contingency with the 9' x 13' mill (for maintenance purposes), the conveyor belt No. 3 of 24" x 7 meters is in operation, which supplies ore to the 8' x 10' mill.

1.1.3. Gravimetry:

The pulp fraction from the secondary cyclones is fed to a 5' x 9' high intensity screen, the coarse materials rejected by the screen return to grinding, the passing fine materials go to the Falcon SB-750 N° 1 or N° 2 concentrators according to operating criteria and the Falcon concentration cycle is 40 minutes. Once the gravimetric concentrate is obtained (stored in a conical tank until a batch is completed), then the concentrate is pumped to the intensive cyanidation (leaching) reactor (ILR). The tailings from the Falcon SB-750 N° 1 or N° 2 concentrator return to the 9' x 13' primary mill or to the 8' x 10' secondary mill unloading box.



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1.1.4. Intensive Cyanidation/ Leaching Reactor:

The gravimetric concentrate is intensively leached (ILR process) in a drum at high cyanide concentration called Intensive Leach Reactor (2%) and with hydrogen peroxide dosing at 50%. The process cycle is 8 hours. Subsequently, solid-liquid separation and two stages of washing solids are carried out, which take a total of 8 hours.

The rich solution and the washings are recirculated through the electrolytic cells for 24 hours. The solids remaining from the ILR process are pumped to the cyanidation/ leaching circuit entering the 30' x 30' agitator tank N° 1.

1.1.5. Thickening:

The overflow from the secondary cyclone clutch D10, are sent by gravity to waste cleaning screen (3' x 4' Derrick (trademark) 30 mesh sieve, to separate wood waste, plastics and other undesired materials) and the pulp then enters the 60' x 12' thickener. Flocculant is dosed with the incoming pulp it is also diluted to a density of 1180 g/l and the cyanidation pH is regulated between 10.5 and 11.5. In the thickener, the amperage is controlled between a range of 1.3 - 1.6 as a normal working parameter. The Dorr Oliver (trademark) 60' x 12' thickener discharges a 40 % solids pulp which is then pumped to the cyanidation/ leaching tanks. A fraction of the recovered water is returned to the thickener for dilution and the supernatant water is sent to the industrial water storage tanks by means of a 240 gpm (gallons per minute) water recovery pump (one is in operation and the other is in standby), where it is recirculated to the process plant. It is important to note that in the industrial water chemical composition the content of total cyanide (CNT) is lower than 0.5 mg/l so, indirectly, the content of WAD (Weak Acid Dissociable) will be lower than 0.5 mg/l.

1.1.6. Cyanidation:

The pulp from the thickener is fed to the cyanidation/ leaching circuit, which has six 30' x 30' tanks in series with mechanical agitation at 31 rpm (rotation per minute) and oxygen injection at 14.7 m³/h (cubic meter per hour) and 85% purity (generated in the OGP20 (trademark/model) oxygen plant and its supplementation by a GA55 (trademark/ model) compressor).



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Sodium cyanide solution is dosed to maintain a free cyanide concentration of 320 ppm (parts per million) in the 30' x 30' cyanidation/ leaching tank N° 1 and 280 ppm in the 30' x 30' cyanidation/ leaching tank N° 6. The pulp inlet from the thickener has a 24" Denver (trademark) sampler. The process time or cyanidation/ leaching cycle in these tanks is 4 days.

There are three tanks for preparing reagents in solution (sodium cyanide solution, calcium oxide solution and flocculant solution). There are also pumps for dosing the reagents in solution (Warman (trademark) 1.5" x 1" pump, Bredel (trademark) SPX-25 pump and Bredel SPX-32 pump).

1.1.7. Adsorption:

Once the gold in solution is obtained, the pulp discharged from the 30' x 30' cyanidation/ leaching tank No. 6 feeds the activated carbon adsorption circuit (CIP/ Carbon in Pulp) and has seven 14'x16' tanks (six operating tanks and **one in standby** (for contingency purposes)) where the activated carbon adsorbs the leached values of the pulp, these tanks have mechanical agitation and injection of compressed air (from air compressors) to continue the leaching or good dispersion of the pulp in the tanks 14 'x16'. To prevent the passage of carbon, Kemix (trademark) self-cleaning meshes are available at discharging of each tank with N° 20 mesh openings.

The carbon is collected and sent by a Bredel (trademark) SPX 100 pump from the 14'x16' CIP tank No. 1 to the 4'x8' collection screen for sieving and washing of the carbon. The carbon collection is performed according to the results reported by the chemical laboratory; after the collection is finished, the "leveling" of carbon in each tank is performed by the Bredel SPX 80 pump, which is nothing more than the replenishment of carbon in each and every adsorption tank in predetermined amounts. The operator is in charge of determining the carbon concentration in the CIP tanks and the compensation in each of them. Discharging the 14'x16' CIP tank No. 6, there is a 24" Denver sampler and a 3'x4' Derrick (trademark) 30-mesh sieve. The final pulp is the tailings and it is sent by gravity to the tailings dam (tailings storage facility). **However, it should be noted that the desorption tank # 7, is maintained in standby, and is kept operative to face any operational contingency.**



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1.1.8. Desorption - Electrodeposition:

The collected coal is subjected to the gold and silver desorption process in the Stripper (6TM desorption circuit) at high pressure (40 to 60 PSI) and high temperature (130 °C), known as the pressurized Zadra process, for which LPG (liquefied petroleum gas) injection cauldron is used. The gold and silver rich solution is recirculated through four electrolytic cells, the remaining four electrolytic cells are in stand-by to be used in operational contingencies.

The solution swept from the cells is returned to the Stripper until the gold and silver values of the rich solution are reduced. Caustic soda 2% is used as electrolyte for the cells. Values operator is in charge of assembling the electrolytic cells.

There are:

- ✓ One 12 MT carbon storage hopper.
- ✓ One 60 m3 (cubic meter) tank for storage of barren solution (these tanks work in closed circuit with the desorption process).
- ✓ One 60 m3 tank for storage of loaded solution (rich/ pregnant). These tanks work in closed circuit with the desorption process.
- ✓ One horizontal pump for barren solution. These pumps work in closed circuit with the desorption process.
- ✓ One horizontal pump for rich/ pregnant solution. These pumps work in closed circuit with the desorption process.
- ✓ Eight electrodeposition/ electrowinning cells of 75 cubic feet, of which four were approved for installation in 2013.
- ✓ Eight current rectifying equipment for the electrodeposition/ electrowinning circuit, four of them were approved for installation in 2013.
- ✓ Two submersible carbon transport pumps of 5 - 7 l/min.

1.1.9. Chemical Regeneration:

There is an activated carbon chemical regeneration circuit (3mt acid washing circuit), where through a process of recirculation of nitric acid solution diluted with the carbon (pH between 1.5 to 2), the pH values are reduced to the neutral term and the process is concluded. The process is carried out in a 10 m3 tank, the acid is pumped for dilution with a WEG (trademark) NEMA pump through a connection to the main line and then for recirculation of the washing process with a 1 hp WEG NEMA pump. Once the washing process is finished, the carbon is shaken and stored for the next desorption. However, it should be noted that there is no thermal regeneration in the facility; this will result in higher consumption of activated carbon and nitric acid.



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1.1.10. Smelting:

The precipitate collected from the cells is entered into a KCA - INGLE MERCURY RETORT brand retort furnace to condense and recover any mercury obtained once this precipitate has dried, then it is mixed with fluxes such as: cahydrate borax, sodium carbonate and silica to melt in a tilting crucible furnace obtaining Doré bars. There is a fume extractor and cyclone for extracting gases and collecting possible values from the dry precipitate.

Cyanide destruction and recirculation of water from the tailings dam:

The discharge from the adsorption circuit (plant tailings), i.e. discharge from the 14'x16' CIP tank No. 6 is subjected to the remaining cyanide destruction stage by means of the expensive acid process (mixture of sulfuric acid and hydrogen peroxide at 50%) using a metering pump for sulfuric acid and another for hydrogen peroxide, which will help in the reduction of total cyanide levels from 250 ppm to 5 ppm. There is a 45mt storage tank for sulfuric acid, as well as a 30mt isotank for 50% hydrogen peroxide storage. The tailings are piped and discharged into the tailings dam, which is lined with layers of different materials and covered with a geomembrane (2 mm thickness HDPE (High Density Polyethylene) geosynthetic) that has been placed over the geotextile layer, which guarantees impermeability of solutions to the soil. The tailings discharge piping has been located on the upstream face of the tailings dam main dike and throughout the tailings dam containment basin area. The supernatant water from the tailings dam is pumped to the industrial water tanks for recirculation to the plant.



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1.1.11. Tailings Disposal:

This tailings (product of the adsorption pulp) is conducted through 6" pipes and discharges into the tailings dam by gravity, which is lined with layers of different materials and covered with geomembrane (HDPE geosynthetic 2 mm thickness) that has been placed on top of the geotextile layer, this ensures impermeability of solutions to the ground. The tailings discharge piping has been located on the upstream area of the tailings dam main dike and throughout the containment basin area of it. The supernatant water from the tailings dam is pumped to the industrial water tanks for recirculation to the plant. This pumping is carried out with two pumps that work alternately, a 20hp capacity SALMSON (trademark) pump of 7 L/s operation, and a 50 HP GRUNDFOS (trademark) pump operating at a capacity of 10 L/s, both with independent lines of 4-inch HDPE piping, generating a route of 245 meters and an elevation of 93 meters.

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Auditor's Finding

This operation is:

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

with the International Cyanide Management Code.

* The Corrective Action Plan to bring an operation in substantial compliance into full compliance must be enclosed with this Summary Audit Report. The plan must be fully implemented within one year of the date of this audit (not applicable).

Audit Company: NCA Brasil Expert Auditors Ltd. (www.globalsheq.com)

Audit Team Leader: Celso Sandt Pessoa

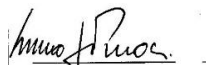
E-mail: celsopessoa@ncabrasil.com.br or celso@globalsheq.com (ICMI qualified lead auditor, since 2006, and TEA (Technical Expert Auditor for Gold and Silver Mining, Production and Transportation of cyanide).

Names and Signatures of Other Auditors: none

Date(s) of Audit: 05 ~ 09/06/2023 (on-site), 16 ~ 20/10/2023 (on-site) and
05 ~ 07/02/2024 (off-site).

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management Institute for Code Verification Auditors.

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



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1. PRODUCTION: *Encourage responsible cyanide manufacturing by purchasing from manufacturers who operate in a safe and environmentally protective manner.*

Standard of Practice 1.1: *Purchase cyanide from manufacturers employing appropriate practices and procedures to limit exposure of their workforce to cyanide, and to prevent releases of cyanide to the environment.*

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

Summarize the basis for this Finding/Deficiencies Identified:

The operation buys solid NaCN from Guang'an Chengxin Chemical Co., an ICMI (where ICMI means International Cyanide Management Institute) certified Chinese cyanide producer, in accordance with the information available at ICMI's website (current certification is dated 21/ Nov/ 2022). The operation does not buy the solid NaCN direct from Guang'an Chengxin, but through Mercantil S.A Perú, listed as a certified cyanide transporter that imports solid NaCN produced by Guang'an Chengxin Chemical Co. (Mercantil S.A certification includes the international supply chain from China) and ICMI certified since 01/Apr/2022.

2. TRANSPORTATION: *Protect communities and the environment during cyanide transport.*

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

The operation is: in full compliance with
 in substantial compliance with Standard of Practice 2.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The transportation documents (guias de remesa) issued by the Peruvian cyanide importer and distributor (Mercantil S.A Perú) and the transporter (CITSSA Logistics S.R.L) are retained by the operation. Reviewed such transportation documentation, issued in 2023, in this opportunity.



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The cyanide producer (Guang'an Chengxin Chemical Co.) provides documentation (statement of origin, quality certificate and bill of lading or waybill) to Mercantil S.A indicating the cyanide produced by Guang'an Chengxin Chemical Co. was transported by Hebei Chengxin Transport Co. supply chain (Hebei Chengxin Transport Co., Global Ocean supply chain and ocean carriers) where the final destination is the port of Callao (Perú), all certified as evidenced at ICMI's website. The transport of cyanide between Callao port and Mercantil warehouse (ALPA/ Almacenes del Pacífico) is performed by Mercantil S.A, a Peruvian transporter also certified by ICMI, in accordance with ICMI's website. CITSSA Logistics is responsible to transport the cyanide to Sierra Antapite operation. The Peruvian transporter, CITSSA Logistics S.R.L, is an ICMI certified transporter as evidenced at ICMI's website (current certification is dated 01/May/2023) and Mercantil S.A supply chain is certified by ICMI, as previously mentioned.

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 Standard of Practice 3.1
 in substantial compliance with
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

There is one NaCN storage warehouse designed and constructed in accordance with Peruvian Engineering standards. Design and construction documentation are retained by the operation. The cyanide mixing and solution storage facilities were also designed and constructed in accordance with Peruvian Engineering standards. The warehouse is inside plant fenced areas, with restricted access, far from administrative offices. There are no surface waters in the vicinity of the operation, as evidenced during the field audit. The cyanide mixing and solution storage facilities are located away from people, inside the same fenced area as above mentioned. The operation does not use liquid cyanide solution. Only uses solid NaCN briquettes. The solid NaCN boxes are unloaded over concreted floor. In the event of any incident during unloading or internal transport between the warehouse and the preparation tank, the recovery, with plastic shovels and plastic brushes, is very simple. All process tanks are provided with level sensors, which are maintained by the operation (they are included in the instrumentation preventive maintenance plan).



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All process tanks volume is not used 100%. Alarm 1 is 85% and alarm 2 is 90%, as evidenced during the field audit. All process tanks are installed inside concreted secondary containments over a concrete base, as evidenced during the field audit and in the design documentation. All secondary containments are constructed of structural concrete and process tanks are constructed, according API 650 standard (where API means American Petroleum Institute), of carbon steel. The solid NaCN boxes are stored inside specific designed warehouse, under a roof and off the concrete ground (over pallets), as evidenced during the field audit. The warehouse was evidenced to be kept dry. The warehouse was designed and constructed with natural ventilation and mechanical exhaust systems (fenced wall), as evidenced during the field audit and reviewed design and construction documentation. The cyanide mixing and solution storage facilities are located inside a fenced area, with restricted access and in a well-ventilated area, as evidenced during the field audit. The warehouse is constructed inside the plant fenced area, with restricted access (only authorized personnel allowed to enter these areas), with security control, and the warehouse is locked with lockers. The cyanide mixing and solution storage facilities are located inside the same fenced area. The warehouse is used specifically to store solid NaCN boxes. No other products are allowed to be stored in these warehouses. The cyanide mixing and solution storage facilities are located inside a fenced area and separated from other materials (there are no other materials inside the secondary containments where the cyanide solution preparation and distribution tanks are installed. Both tanks are constructed of carbon steel which offer an affective barrier to avoid the contact of cyanide solution with other not compatible materials.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

After use, the two big bags are neutralized into specifically construct tanks fulfilled with hydrogen peroxide (10%) solution. After neutralization is complete (after 24 hours), the big bags are washed and dried and disposed into de NaCN wooden boxes That are sent for final disposition at an approved environmental services supplier. The sea container returned to the NaCN importer/ distributor (Mercantil S.A) is inspected, cleaned (brushed) and sealed, before returning to the above-mentioned stakeholder. All valves, pumps, tanks, secondary containments, are included in the operation preventive maintenance plan.



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Please refer to SoP (Standard of Practice) 4.1. The operation does not use hoses and couplings for mixing solid cyanide. Related to valves, the operation replaces any potentially defective valve by a new one because it is cheaper and better to make that than to have a preventive maintenance protocol for them. This approach is considered to be a preventive one. The valve replacement frequency is defined in accordance with the routine inspection results. Any potentially defective valve is replaced, as previously mentioned. Related to the valves installed in the cyanide solution preparation tank and at the cyanide solution distribution tank, their operation instructions are addressed at a documented work instruction, indicating the correct sequence to open and close that valves. During the field audit, a preparation of a cyanide solution batch was evidenced, as well the transfer of such cyanide solution batch to the distribution tank. All NaCN boxes are handled with the help of forklifts, operated by qualified operators. It was evidenced, during the field audit, that all NaCN boxes are kept in order, without puncturing or rupturing. The stacking limit is two boxes, according to the producer instructions. This was evidenced during the field audit. Evidenced, during the field audit, that the cyanide solution preparation area is kept clean. The operation's safe work procedure requires that after the preparation of cyanide solution, the preparation area must be washed and cleaned and kept in order and cleaned, as evidenced during the field audit. The cyanide solution preparation is always performed by two operators (this means that during the preparation of cyanide solution (mechanical mixing, not manual) the presence of a second operator observing the activity from a safe area is mandatory, according to the safe work procedure. This procedure was evidenced during the field audit where a cyanide solution preparation activity was observed). Specific PPEs are defined, in a safe work procedure, to be used during the NaCN solution preparation. Evidenced, during the field audit, the preparation of one NaCN solution batch. All cyanide solution preparation steps are defined in a documented safe work procedure. Guang'an Chengxin Chemical Co. supplies solid NaCN with dye colorant (red), as evidenced during the field audit.

4. OPERATIONS: *Manage cyanide process solutions and waste streams to protect human health and the environment.*

Standard of Practice 4.1: *Implement management and operating systems designed to protect human health and the environment utilizing contingency planning and inspection and preventive maintenance procedures.*

The operation is: 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:

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



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The system includes operational procedures such as reception, storage and handling of solid cyanide, cyanide solution preparation, CIP operational control, TSF (Tailings Storage Facility) operational control, decontamination of cyanide installations prior to maintenance activities, working at confined spaces, among others and management procedures such as change management, incident reporting and investigation, water balance management, emergencies and crisis management, communication management, among others. All operational documented procedures are based on the design premises and were updated along the time, in accordance with the change management procedure. Legal requirements are also addressed at the operational and management procedures. Such design premises include the required freeboard for the tailings storage facility (TSF), the design storm events for the TSF and the concentration of cyanide in the TSF. All operational and management procedures describe specifically the actions to be done in order to achieve the planned results. Hazards, risks and operational controls are addressed in the operational procedures. The required PPEs and prework inspections are also addressed in such operational procedures (or safe work procedures). The preventive maintenance management system and the maintenance inspection management system are included in the documented management system. The operation designed, documented, implemented and maintains a change management procedure which is applicable to several types of changes such as engineering changes, employees' changes, documentation changes among others. The change management procedure demands the participation of different stakeholders in order to review the proposed change, always including representatives of the environmental, health and occupational safety processes. The operation developed a contingency plan related to the management of any upset in the water balance, in the dry season and in the rainy season. There were no such of upsets in the water balance in the last years. Any problem related to monitoring results (e.g: free cyanide content in open waters) or detected during process plant inspections (e.g: pump leakages) are managed through the corrective actions management process. In the last years there were no environmental monitoring nonconformances. Minor mechanical problems were evidenced during maintenance inspections and corrective maintenance orders were issued and timely implemented. The operation developed and implemented a crisis management plan. There were no crisis situations in the last years. Related to temporary closure, the potential measures will include (but not limited to) the maintenance of the agitators of the leaching tanks, without leaching (no addition of cyanide solution on the leaching process). A second option will discharge the pulp being leached to the standby tank or to the TSF. If necessary, all stored solid NaCN will be sent back to Mercantil S.A or sent to another Sierra Sun mining operation or sold to another mining operation. In the event of cessation of operation, the operation's closure and decommissioning plan (please refer to Standard of Practice 5.1) will be implemented. The operation defined, documented and implemented specific inspection checklists focused on the process plants installations. Records of such inspections are retained by the operation. Reviewed inspection records performed between 2022 and 2023. The inspections are performed per area and includes all the installations included in that area (e.g: tanks, secondary containments, valves, pumps, piping, instrumentation).



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All cyanide containing tanks are inspected on a monthly basis. The inspection scope is focused on corrosion signs, leakages, pipelines, joints, valves and structural integrity. It is an integrated inspection, including the secondary containment, the tanks concreted base. Records of such inspections are retained and were reviewed during this opportunity. During the field audit, it was evidenced that those installations are well maintained. As previously mentioned, the inspection of secondary containment, for tanks and piping, are included in the monthly inspection scope. During the field audit, it was evidenced that such installations are well maintained. The TSF is inspected on a regular basis and all quality and operational aspects of the TSF (Tailings Storage Facility) are inspected, in accordance of the Peruvian laws. Records of such inspections are retained by the operation. Inspections results performed between 2022 and 2023 were reviewed. The results showed that the TSF is well maintained. Major problems were not identified. Pipelines, pumps and valves are included in the inspection scope. All cyanide installations are included in a preventive maintenance program, and inspections are performed in order to confirm the effectiveness of the preventive maintenance program. The TSF (the only pond available in the operation) is inspected on a regular basis in accordance with the Peruvian laws for this type of installation and in accordance operation's inspection program. The inspection plan includes the inspection of the integrity of surface water diversions, which are part of the TSF configuration. Cyanide containing installations (tanks, pipes, pumps, valves, secondary containment) are inspected on a monthly basis, in between preventive maintenance activities. Inspection checklists were developed and implemented. In my professional experience, the defined inspection frequencies are adequate to maintain the process plant installations and equipment working in conformance with the defined parameters. The inspection results are recorded in this checklist, that are retained by the operation in accordance with the quality records management procedure. The inspection records address the inspection date and the name of the inspector. The checklist addresses the quality aspects to be inspected and the acceptance criteria to be observed. If opportunities of improvement are identified, corrective or preventive maintenance orders are issued and implemented. Such cases were evidenced during this opportunity. Corrective maintenance orders are issued when the inspection result demands one. All corrective maintenance orders are dated and, when concluded, are retained by the operation. Some corrective maintenance orders issued between 2022 and 2023 were sampled and reviewed during this opportunity. The operation designed, documented, implemented and maintains a preventive maintenance program focused on tanks, pipelines, pumps, valves, secondary containments and instrumentation (e.g: pHmeter, HCN detector, level transmitter). The frequency of preventive maintenance is variable. In my professional experience, the defined preventive maintenance frequency is adequate to maintain the process installations in a safe way. Records of preventive maintenance orders performed during the last twelve months were reviewed. It was evidenced that the operation has emergency power resources (diesel generator) to operate pumps and other equipment (e.g: agitators) to prevent unintentional releases and exposures in the event its primary source of power is interrupted (the operation has one Sulzer (trademark) diesel generator of 1160 kVA (kilo Volt Ampere).



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The back-up power generator equipment is covered by a preventive maintenance program (annual) and inspections. The generator is turned-on on a monthly basis. Records of such activities are retained by the operations and were reviewed during this audit.

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

The operation is: in full compliance with
 in substantial compliance with Standard of Practice 4.2
 not in compliance with
 not subject to

Summarize the basis for this Finding/Deficiencies Identified:

Cyanide solution is not added during the milling phase and the operation has strategies to minimize the use of cyanide. The operation conducts a program to determine appropriate cyanide addition rates and optimize gold recovery. This program is based on metallurgical tests (bottle testing/ agitation leaching) and is performed in accordance with the ore quality that will be leached, by the operation's Metallurgical laboratory. Cyanide consumption metrics are defined and the results until June 2023 indicates that the planned results for cyanide consumption will be reached.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

Sierra Antapite mining developed a comprehensive, probabilistic and dynamic water balance system, focused on the process plant, which includes the reference to the design assumed inputs and outputs, and the real inputs and outputs. The model considers the storm rain return of 500 years/ 116 mm/ 24 hours (0,5% probability to fall during the life of mine (LoM = 2028).

The water balance is managed and monitored on a daily basis, in accordance with the defined and implemented water balance model. The rates at which tailings are deposited at the TSF is considered in the model. The model considers the storm rain return of 500 years/ 116 mm/ 24 hours (0,5% probability to fall during the life of mine (LoM = 2028). The highest rain fall value, obtained since 2005, was 13,6 mm/24h. The operation has the precipitation and evaporation data since 2005. The calculated precipitation volume resulting from surface run-on from the up-gradient watershed is lower than the available free volume (TSF) at the operation.



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Effects of potential freezing and thawing conditions on the accumulation of precipitation within the facility and any upgradient watershed is not considered in the model because the freezing potential is nil. The solution losses in addition to evaporation, such as the capacity of decant, drainage and recycling systems, allowable seepage to the subsurface has no significant impact on the water balance. There are no discharges to surface water. The operation has a power backup system that provides enough energy to maintain the pumping and agitation system working. The process plant pumping system has a redundancy of two pumps (one pump working and the other one stand-by). There is no leach pad at the operation. The operation does not release effluents on surface waters. No other aspects are considered in the water balance model. The operation has enough available volume (TSF) enough to retain all calculated storm rain amount. The TSF are inspected on a regular basis as previously mentioned. Inspections include the available freeboard. The operation monitors precipitation and evaporation and compares with the historical values. It was observed that the rain profile is decreasing along the years and the evaporation profile is increasing. The meteorological station is placed close to the TSF.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

All the operation perimeter is fenced. The amount of WAD (Weak Acid Dissociable Cyanide: An operationally defined group of cyanide species that undergo dissociation and liberate free cyanide when refluxed under weakly acidic conditions (pH 4.5~6)) cyanide in the TSF is maintained much below 50 ppm. Reviewed monitoring records issued by Envirotest Laboratory (an ISO 17025/2017 accredited laboratory by INACAL Perú/ Instituto Nacional de Calidad, credential # LE-056). All samples collected in 2023. The operation developed and implemented an environmental monitoring plan (refer to Standard of Practice 4.9), which includes the monitoring of the open waters. The monitoring frequency is defined in accordance with the environmental permits hold by the operation. Samples are collected at the discharge points and at supernatant pond. Reviewed monitoring results related to 2023 for WAD cyanide. All results at the TSF pond are below 50 ppm. All WAD cyanide results at the TSF are below 50 mg/l. The TSF is inspected a regular basis and there were no cases of fauna/ wildlife mortality in the last years. During the field audit, group of birds were evidenced inside the TSF pond. The operation has no leach pads.



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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 Standard of Practice 4.5
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

There is no direct discharge of process effluents on surface waters. The operation operates in a closed circuit (effluent recirculation as industrial water). This was evidenced during the field audit. There are no surface waters in the surroundings of the operation. There is an intermittent (always dry between July and December) creek down gradient of the TSF (Quebrada Suito), which is monitored during the rainy season. Reviewed monitoring results for total cyanide, performed in 2023, where it was not detectable (<0.005 mg/l). There are no surface waters in the surrounding of the operation.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

Beyond the dynamic water balance management, where dewatering is not a critical aspect that could impact the water balance and, consequently, the underground water quality, the operation monitors the quality of ground water on a regular basis, in accordance with the Peruvian laws and environmental permits. The operation installed three piezometers around the operation area, in different depths. The operation monitors the content of WAD cyanide (according to the Peruvian law, CNw (wad cyanide) content must be < 0,1 ppm) in underground waters taking samples in all piezometers installed by the operation. All results between 2022 and 2023 are below 0,005 ppm (not detected). In all cases, two of the piezometers (PZ1 and PZ3) were evidenced to be dry. There is no beneficial use of groundwater (for human or livestock use) downgradient of the operation. The operation does not use tailings as backfill, as evidenced during the field audit. There were no impacts on the underground water between 2022 and 2023. The operation is located downgradient of the nearest village, Antapite.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

All process tanks are constructed inside secondary containments, made of structural concrete, as evidenced in the design specifications, construction records and during the field audit. All process tanks are fixed over structural concrete bases, as evidenced in the field audit and in the design documentation. All the secondary containments are designed to hold 115% of the biggest tank volume inside the containment plus the storm rain return, which probability is 0,5% during LoM. All secondary containments are provided with automatic floor pumps, inside a sump. All effluent collected inside a secondary containment is pumped back to the process tank. The operation has a stand-by (empty tank), to be used in contingency/ emergency situations Evidenced this system during the field audit. All cyanide containing pipelines and joints have a secondary containment in order to avoid any spillage or leakage. This includes the tailings delivery and return pipelines. It was evidenced two types of containment, the first one a pipe inside a pipe, for pressurized pipelines and half pipeline containment for non-pressurized pipelines. This was evidenced in design documentation and during the field audit. There are no cases where cyanide containing pipelines are a risk to surface waters. All cyanide containing tanks are constructed of carbon steel and pipelines, depending on the diameter are made of carbon steel or HDPE. Evidenced through the design documentation and during the field audit.

Standard of Practice 4.8: *Implement quality control/quality assurance procedures to confirm that cyanide facilities are constructed according to accepted engineering standards and specifications.*

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

Summarize the basis for this Finding/Deficiencies Identified:

The operation has a technical archive where some original design and construction documentation could be found. During this opportunity, only some specific design and construction documentation was reviewed, such as CIP tanks, TSF, some pumps and piping, secondary containments (concrete structures) and the new peripheric channels of the TSF. Soil compaction test records (includes the new TSF channels), welding procedures and records, material specifications and quality records are still retained by the operation.



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Some commissioning records and as-built documentation (recovered from the previous operation owner), for process plant, are still retained by the operation. The operation performed a full technical inspection, performed by a mechanical engineer and a civil engineer, in order to confirm the structural conformity of the process plant installations. The TSF is technically inspected by a third-party engineer on a yearly basis, according to the Peruvian mining legislation. In the end of September 2023, the operation structural conformity was evaluated by two independent engineers, as previously mentioned. It was reviewed the technical report, dated 01/ October/2023, entitled: “Estudio de la infraestructura del circuito del cianuro (tanques, tuberías, cañerías, estructuras civiles y topografía)”. Technical reports related to the last dam (TSF) raising were also reviewed the design and construction reports as well of the new peripheral channels of the TSF.

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

The operation is: in full compliance with
 in substantial compliance with Standard of Practice 4.9
 not in compliance with

Summarize the basis for this Finding/Deficiencias Identified:

It was evidenced that the operation, in accordance with the Peruvian law, designed, documented, implemented and maintains an environmental monitoring plan (Plan de Monitoreo Ambiental 2023, which addresses the monitoring of water quality (open (TSF), surface (Quebrada Suito) and underground), and the local fauna and flora. Wildlife monitoring activities are addressed at the TSF documented inspection plan. All monitoring activities (water and wastewater analysis) are performed by Laboratorio Environtest S.A.C, an ISO 17025/2017 accredited laboratory (INACAL Perú/ Instituto Nacional de Calidad), where all analytical protocols were developed and approved by qualified professionals. The analytical protocols are based on the Standard Methods for Water and Wastewater Analysis (23rd edition). All sampling activities are performed by Environtest technicians in accordance with accredited protocols for sample preservation, environmental conditions, sample identification, cyanide types to be analyzed, handling and transporting procedures and custody records. Quality assurance requirements are in place due to fact that Environtest laboratory is an ISO 17025 accredited one. The sampling points are defined at the operation's environmental operational permit, issued by the local environmental protection agency (Autoridad Regional del Medio Ambiente). As previously mentioned, all environmental conditions/ aspects, during sampling activities, are recorded in the sampling form. Sampling records, including the custody record, are retained by the operation and were reviewed during this opportunity. The monitoring frequencies are defined by the local environmental agency (Autoridad Regional de Medio Ambiente). In my professional experience and in accordance with the environmental circumstances found at the operation, the monitoring frequency is adequate.



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5. DECOMMISSIONING: *Protect communities and the environment from cyanide through development and implementation of decommissioning plans for cyanide facilities.*

Standard of Practice 5.1: *Plan and implement procedures for effective decommissioning of cyanide facilities to protect human health, wildlife and livestock.*

The operation is: in full compliance with
 in substantial compliance with Standard of Practice 5.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation, in accordance with the Peruvian mining legislation, developed, documented and approved (2023) the operation decommissioning and closure plan, which is divided in two phases (progressive and final decommissioning and closure plan). Basically, the decommissioning plan addresses the activities related to neutralization of the cyanide installations, rinsing of neutralized cyanide installations, dismantling such installations and disposal of the removed installations. All effluents generated by these activities shall be monitored in order to determine the content of cyanide. There are specific activities related to the decommissioning of the TSF. The decommissioning and closure plan define the implementation schedule for the operation, considering the life of mine (LoM) the year of 2028. The closure plan must be updated, at least, every five years. Last update was in June 2023.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

The operation calculated the value to implement the closure plan by a third party. The estimated value is in accordance with the actual values of the activities that shall be performed to decommission, dismantle and close the operation. Such value was approved by the Peruvian environmental, mining and energy authorities. The estimated value is annually updated. The closure plan cost estimate is annually updated. Last cost update was in June 2023. According to the Peruvian legislation (law # 31347/2021), the operation must have financial guarantees, issued on behalf of Peruvian environmental, mining and energy authorities (Ministerio de Energia y Minería). This legal requirement is already implemented. Beyond this legal requirement, the operation has budgeted its own financial guarantees. It was evidenced the last issued financial third-party guarantee, dated 10/January/2023.



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The operation has also a self-guarantee financial assurance mechanism, which is annually audited by independent and qualified third-party financial auditors. Reviewed financial reports related to financial years finished 31/12/2021 and 31/12/2022. The audits were performed by Ernst & Young Ltd. and led by Mr. Percy Zarrin (Financial Auditor credential # C37450) and conducted in accordance with the International Accounting Standards (ASB) and Finance Information International Standards (NIIF). Auditors conclusions addresses that the provisioned values are adequate, and that the operation has financial health to implement the decommissioning and closure plan.

6. WORKER SAFETY: *Protect workers' health and safety from exposure to cyanide.*

Standard of Practice 6.1: *Identify potential cyanide exposure scenarios and take measures as necessary to eliminate, reduce or control them.*

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

Summarize the basis for this Finding/Deficiencies Identified:

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

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Standard of Practice 6.2: *Operate and monitor cyanide facilities to protect worker health and safety and periodically evaluate the effectiveness of health and safety measures.*

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

Summarize the basis for this Finding/Deficiencies Identified:

The operation defined three ranges of pH that shall be observed during cyanide solution preparation (between 11 and 12), during leaching process (between 10.5 and 11) and during elution process (> 13). Verified during the field audit and through interviews with plant operators and supervisors that these values are kept under control. Also evidenced that the operation installed pHmeters in specific process tanks. Such pHmeters are included in the preventive maintenance plan, and pHmeters maintenance and calibration records were reviewed during this audit. The areas with such HCN generation potential (or cyanide dust), such as cyanide solution preparation tank, cyanide solution addition tanks, elution column, were identified and specific and adequate PPEs are mandatory to be used in such areas. Such areas are well identified as evidenced during the field audit. The operation installed fixed Drager HCN detectors in such areas and operators also use portable Drager HCN detectors. Both HCN detector types are included in the preventive maintenance and calibration program. Records of such activities are retained by the operation and were reviewed during this opportunity. Both types of HCN detectors are calibrated to alarm in two points: 2,5 ppm (supervision must be contacted) and 4,5 ppm (personnel must leave the area). Reviewed calibration records issued between 2022 and 2023. The calibration frequency is in accordance with the directions defined by the OEM (Original Equipment Manufacturer). Safety signage and safety pictograms are placed in specific places in the process plants, including the solid NaCN warehouse, which are inside the fenced perimeter of the process plant and at the TSF, including its associated pipelines. Safety signage includes information related to cyanide, the PPEs that must be used, that is forbidden to eat, drink and smoke in such places and also that open flames are not allowed. The cyanide solution is dyed for clear identification. Guang'an Chemical Co. supplies solid NaCN briquettes with dye colorant. Evidenced dyed solution during the field audit (cyanide solution preparation activity). It was evidenced during the field audit that shower and low-pressure eye-washers are available in specific assigned places at the process plants. Such installations were tested during the field audit and worked adequately. Showers and low-pressure eye-washers are routinely inspected by process operators. The operation uses dry chemical powder fire extinguishers (ABC type) in the process plant area. Such fire extinguishers are annually maintained and monthly inspected by the occupational safety process. Records of such activities are retained by the operation and were reviewed during this audit.



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Fire extinguishers are also checked before some cyanide related activities (pre-work inspection). All process tanks are identified by safety signage that cyanide is present. In the same way all pipelines containing cyanide are identified by safety signage and the flow direction identified. Evidenced during the field audit. Guang ´an´s MSDS are available in the warehouse, in the cyanide solution preparation area and at process plants, documented in Spanish, as well as first aid procedures for cyanide intoxication and chemical burning, as evidenced during the field audit. The operation designed, documented, implemented and maintains and incident (real or potential) reporting and investigation procedure (P-ANT-SIG-15(1)). There were no cyanide related incidents (real or potential) in the last twelve months. In order to confirm that the defined incident investigation procedure was implemented (as demanded by ICMI), it was reviewed a minor incident investigation report (potential), dated 19/04/2022, where a worker had a broken finger. The incident was adequately investigated, where the causes were defined, corrective actions were defined and implemented, and seems to be effective because since then there were no incidents in such conditions.

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

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

Summarize the basis for this Finding/Deficiencias Identified:

It was evidenced that the operation has first aid resources such as oxygen bottles, AMBU (Artificial Manual Breathing Unit), cyanokit (x2) and water, communication means such as radios and telephone, as evidenced during the field audit, including the ambulatory. The operation has an ambulatory located outside the process plant, equipped with oxygen bottles, two EAD (external automatic defibrillator), radio, telephone and one ambulance. The medical team (per work shift) is composed by one doctor. All medical resources are inspected and tested by the doctor on a regular basis. Records of such inspections are retained by the operation and reviewed during this audit. All cyanide antidotes kits were evidenced to be adequately stored and within the valid date defined by the producer. The operation developed a first aid protocol (PETS-ANT-SEG-01(2)) that includes cyanide intoxication (by ingestion, inhalation and absorption through the skin and eyes) and chemical burning. The operation has its own ambulatory, equipped with resources to attend workers exposed to cyanide. The operation has one ambulance that is able to transport stabilized workers to Clínica Internacional (Ica town) and Clínica Señor de los Milagros (Ica town). The Clínica Internacional (Ica town) and Clínica Señor de los Milagros (Ica town) were evaluated by operation medical team and, depending on the decision of the operation doctor, all two hospitals are adequate to be used in the event of a cyanide intoxicated or chemical burned worker, after receiving the first aid at the operation ambulatory.



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7. EMERGENCY RESPONSE *Protect communities and the environment through the development of emergency response strategies and capabilities.*

Standard of Practice 7.1: *Prepare detailed emergency response plans for potential cyanide releases.*

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

Summarize the basis for this Finding/Deficiencies Identified:

According to the Peruvian mining legislation, the operation designed, documented, implemented and maintains an emergency response plan (PL-ANT-PL-01(1)). The emergency response plan was developed by different internal stakeholders such as process plant team, maintenance team, occupational health professionals, occupational safety team, environmental professionals and communicated to external stakeholders such as local firefighters, Central de Emergencias Antapite, Centro Médico de Córdova and Peruvian National police. Response to catastrophic release of hydrogen cyanide from storage and process facilities is addressed at the emergency response plan, mainly related to cyanide solution preparation and elution column process. The plan addresses the activities that must be performed in emergencies involving solid NaCN transportation inside the operation and in the vicinity of the operation. The plan addresses the response to emergencies related to releases during unloading and mixing.

The plan addresses the response activities to be performed during fires, mainly in the solid NaCN warehouses and explosions (elution column). The plan describes the activities to be done in the event of pipes, valves and tanks ruptures. Involve maintenance and process teams. Although the probability of TSF overtopping be very low, the emergency response plan addresses specific actions to be performed in such emergency situation. The plan addresses the response activities to be done in the event of power outages (backup generator system) and pumps failures (redundancy two system). Uncontrolled seepage is not a critical emergency scenario for the operation, due to the design and configuration of the TSF. The piezometers installed downgradient of the TSF are usually dry in all sampled cases. The plan addresses the response activities to be done in the event of failure of cyanide detox system. The operation detox system is based on the neutralization of the final pulp containing the tailings inside a tank, which is inside a secondary containment. If the neutralization tank collapses or presents leakage, the tailings pulp will be retained inside the secondary containment which has a sump with a floor pump, that will be used to pump all the pulp back to another stand-by tank or will be transferred to the TSF.



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The tailings pulp is neutralized with a solution of hydrogen peroxide and sulfuric acid. In the event of a problem in the feeding of the neutralization tank with this solution, the tailings pulp will not be discharged to the TSF. The plan has a specific direction related to failure of other cyanide related installations (e.g: TSF) caused by potential earthquakes. The primary responsibility related to solid NaCN transportation emergencies is from the cyanide seller and transporter (Mercantil and CITSSA, respectively). In the event of transport emergencies in the vicinity of the operation, the operation emergency response team will participate also. The cyanide boxes are transported within a 20' sea container. The plan addresses the activities to be performed related to the clearing of internal stakeholders (the first step is to reunite the site personnel in specific meeting points and then, under a brigade member orientation, to leave the operation) and also potentially affected communities. The plan addresses the use of antidotes, such as oxygen and cyanokit, and additional first aid measures. The plan was developed by different stakeholders, including the process plant and maintenance teams. During the audit, a theoretical drill was performed, involving one control room operator, one field plant operator and a mechanical maintenance technician. The drill result was in conformance with the planned activities (cyanide contaminated steam released from the elution column). The plan addresses, where necessary, containment actions such as containing berms, assessment and mitigation action such as the use of calcium oxide to neutralize cyanide spillage and the review of the real or potential emergency (learning from incidents approach), resulting in the definition and implementation of corrective and preventive actions.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

The plan was developed by different internal stakeholders and submitted to external stakeholders such as Peruvian National police, firefighters, Comité de Defensa Civil de Ica (Civil Defense Committee of Ica town), Central de Emergencias Antapite and local community representatives (e.g: Antapite village), during specific planned meetings (refer to Principle # 9). The plan includes several external stakeholders such as Central de Emergencias Antapite, Peruvian Professional Fire Fighters and Peruvian National police. In order to maintain the emergency response plan updated, the same process above mentioned is observed. Different stakeholders are involved in the emergency response plan preparation and update.

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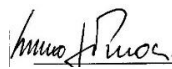
Standard of Practice 7.3: *Designate appropriate personnel and commit necessary equipment and resources for emergency response.*

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

Summarize the basis for this Finding/Deficiencies Identified:

The operation defined an Emergency Response management group in order to manage any type of emergencies. The emergency coordinator is the general plant manager, that may be replaced by the SHE (Safety, Health, Environment) manager, that may be replaced by the Emergency Brigade Coordinator. The emergency management group is composed of distinct internal stakeholders. The operation has a qualified Emergency Response Brigade. All requirements to be an emergency response brigade member are clearly defined. All volunteers must pass through a medical/ psychological evaluation, theoretical and practical training and a final evaluation to be qualified. All brigade members, including the Emergency Response Management Group contact information, are available at the emergency response plan. The emergency communication loop is clearly defined at the Emergency Response Plan. There are specific activities defined to emergency coordinators, brigade leader and brigade members, as well as for external stakeholders. The operation maintains a master list of all emergency response resources that must be available at the site. There is a specific emergency response room where such resources are stored. This was evidenced during the field audit. All emergency response resources are monthly inspected by the brigade members. Records of such inspections are retained by the operation and were reviewed during this audit. As previously mentioned, the role of external stakeholders during an emergency are clearly defined at the emergency response plan. The operation promotes meetings and performs emergency mock drills, involving external stakeholders, where the roles of external stakeholders are communicated, and all involved stakeholders become aware about their roles during an emergency response. Records of such meetings are retained by the operation and reviewed during this audit. Beyond that, the operation formally (through letters and confirmation of reception) communicates all involved external stakeholders.

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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 Standard of Practice 7.4
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The emergency response plan addresses the communication loop to be followed during an emergency, which includes the communication with external stakeholders (including ICMI, hospitals, firefighters, civil defense, public authorities, press, among others). As previously mentioned, the operation develops a communication loop involving the contact with internal and external stakeholders, including communities' representatives, press institutions and public authorities. Communication to ICMI is included in the operation communication loop. The protocol for communicating with ICMI includes requirements and details to notify ICMI of any significant cyanide incidents.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

The plan defines, in the event of solid NaCN leakage or NaCN solution spillages, the actions to be performed in both cases. The plan describes neutralization of soils or other contaminated media. The operation will neutralize the impacted soils with a 15% sodium hypochlorite solution, which is available in 1000-liter plastic container stored in a warehouse. After neutralization, soil samples are taken every 5 cm (centimeter) in depth, until the result of free cyanide is not detectable. It is important to note that all process tanks and cyanide containing pipelines are protected by a secondary containment and the soil in the process plants were compacted. There are no surface waters in the vicinity of the operation, that could be impacted. Any contaminated and neutralized debris, including soil, will be disposed at the TSF. There are not surface or underground waters (water wells) that could be impacted by the operation's activities. Anyway, in the event of such demand, the operation is able to manage the provision of potable water using tank trucks and mineral bottle water. Although the probability to impact the Quebrada Suito waters is nil, in the event of such emergency the plan clearly defines that the use of any chemical product is forbidden to be used to mitigate the impact of potentially containing cyanide effluent on the surface waters.



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The environmental monitoring plan addresses the necessary monitoring of contaminated soil, water and air, defining sampling protocols, the type of cyanide to be monitored and the acceptance criteria.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

In the event of real or potential emergencies, after mock drills or external emergencies related to cyanide, the emergency response is reviewed and updated if necessary. The operation plans and performs, on an annual basis, emergency mock drills. The mock drills are integrated impacting three dimensions, safety, health and environment. The operation emergency drills ARE NOT tabletop exercises. They are integrated field exercises simulating environmental impacts caused by cyanide releases, cyanide intoxication and first aid exercises. After the drill the results are reviewed by the attendees in order to confirm if the drill was a real situation the specific ERP (Emergency Response Plan) would work and if the attendees performed their roles in accordance with the planned activities. Reviewed two emergency drill reports, performed between 2022 and 2023, and in both cases, opportunities of improvement (corrective and preventive) were identified and implemented, resulting in the update of the emergency response plan.

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8. TRAINING: *Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner.*

Standard of Practice 8.1: *Train workers to understand the hazards associated with cyanide use.*

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

Summarize the basis for this Finding/Deficiencies Identified:

The operation developed an integrated safety, health and environmental induction training for all stakeholders arriving in the operation, including the ICMI auditor, where there is a specific chapter about the cyanide management system, which includes the description of solid sodium cyanide and cyanide solutions, the associated risks of cyanide exposure to health, safety and the environment, basic operational controls (pH control) and first aid protocols for each type of intoxication caused by cyanide, including the usual symptoms associated with cyanide exposures. Records of such training sessions are retained by the operation and were reviewed during this audit. Mercantil S.A technical manager also provided a specific training focused on cyanide management. This training session was delivered only for the operation employees. For internal stakeholders (including permanent contractors), the operation performs a refresh induction training every three years. Records of such refresh training sessions are retained by the operation and were reviewed during this audit. The operation provides a reinforcement training session about cyanide management, delivered by Mercantil S.A, as previously mentioned. The operation also plans and deliver SHE (Safety, Health, Environmental) daily dialogues, where cyanide related risks and operational controls are discussed.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

After passing through the safety, health and environmental induction training, the new employees or contractors that will work in activities involving cyanide are assigned to be trained specifically in the operational procedures (safe work procedures) during one work shift. After that, they will work, under supervision, another work shift in order to be qualified to work in the process plant.

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

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

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

Summarize the basis for this Finding/Deficiencies Identified:

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



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All external stakeholders that are included in the emergency response plan, such as Peruvian professional firefighters, Peruvian National Police, Central de Emergencias Antapite and communities' representatives are aware about their roles in cyanide related emergencies and also participates in emergency mock drills. Records of such meetings and mock drills (2022 and 2023) are retained by the operation and were reviewed during this audit. Beyond the annual mock drill program, the brigade members requalified/ retrained every year. Records of such activities are retained by the operation and were reviewed during this audit. The initial and refresh training records, beyond the emergency mock drill reports, addresses the attendee's names, their performance, the training scope, instructors' names, dates and instructors' feedback about the trainee performance.

9. DIALOGUE: Engage in public consultation and disclosure.

Standard of Practice 9.1: *Provide stakeholders the opportunity to communicate issues of concern.*

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

Summarize the basis for this Finding/Deficiencies Identified:


The operation has a specific communication process to interact with internal and external stakeholders (e.g: press, communities, public authorities). On a regular basis, the operation promotes specific meetings with the communities in order to discuss several aspects, including the cyanide management model. Records of such meetings performed in 2022 and 2023 were reviewed during this audit.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

The operation designed and documented (procedures, brochures) specific information about the cyanide management at the operation that are available to internal and external stakeholders and are distributed during the meetings with the communities. All information is in Spanish, the official language of Republic of Peru. It was evidenced that most of the external stakeholders are educated and literate.



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The operation has a specific communication process to interact with internal and external stakeholders (e.g: communities, public authorities, press, employees). In the last twelve months there were no critical incidents (cyanide exposure resulting in hospitalization or fatality, cyanide releases off the mine site requiring response or remediation, cyanide releases on or off the mine site resulting in significant adverse effects to health or the environment, cyanide releases on or off the mine site requiring reporting under applicable regulations and releases cause applicable limits for cyanide to be exceeded) involving cyanide that deserved to be communicated to the general public (internal and external). In the event of such real and confirmed critical incidents, the operation developed and documented a Crisis Management plan, which was reviewed during this opportunity and includes a specific chapter about the communication management during a crisis situation. The crisis management plan has a specific chapter related to communication protocols to be applied to communicate the above-mentioned real incidents to internal and external stakeholders (e.g: public authorities, press, internet). These protocols include meetings with authorities and the press, press releases and social media communication.

Audit team conclusions:

It was evidenced that Minera Sierra Antapite maintains a SHEQ management system. This system ensures an adequate cyanide management in accordance with the Cyanide Code principles.

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

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



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