REPORT

JANUARY 2018

ICMI INITIAL CERTIFICATION SUMMARY AUDIT REPORT

La India Mine
Sonora, Mexico

Submitted to:
International Cyanide Management Institute (ICMI)
1400 I Street NW-Suite 550
Washington, D.C. 20005
United States of America

And:

Agnico Eagle Mexico
Blvd. Luis Encinas. 604, El Torreon
Hermosillo, Sonora, México C.P. 83204,

Project Number: 1772265

Distribution:
ICMI – 1 PDF
La India – 1 PDF

Golder Associates

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FIGURES

1.0 SUMMARY AUDIT REPORT FOR GOLD MINING OPERATIONS

Name of Mine:	La India Mine
Name of Mine Owner:	Agnico Eagle Mines Limited
Name of Mine Operator:	Agnico Eagle Mexico
Name of Responsible Manager:	Gustavo Ernesto Amador Montaño
Address:	Blvd. Luis Encinas. 604, El Torreon C.P. 83204, Hermosillo, Sonora
State/Province:	Sonora
Country:	México
Telephone:	+52 (662) 108 0280 / Ext. 8410
Fax:	Not applicable
E-Mail:	Gustavo.amador@agnicoeagle.com

2.0 LOCATION DETAIL AND DESCRIPTION OF OPERATION

2.1 Mine Location

The La India Mine (La India) is located in the County of Sahuaripa, State of Sonora, Mexico. It is located in the mountainous region of the Sierra Madre Occidental between the villages of Tarachi and Matarachi, approximately 210 kilometers (km) to the southeast of the city of Hermosillo (Figure 1).

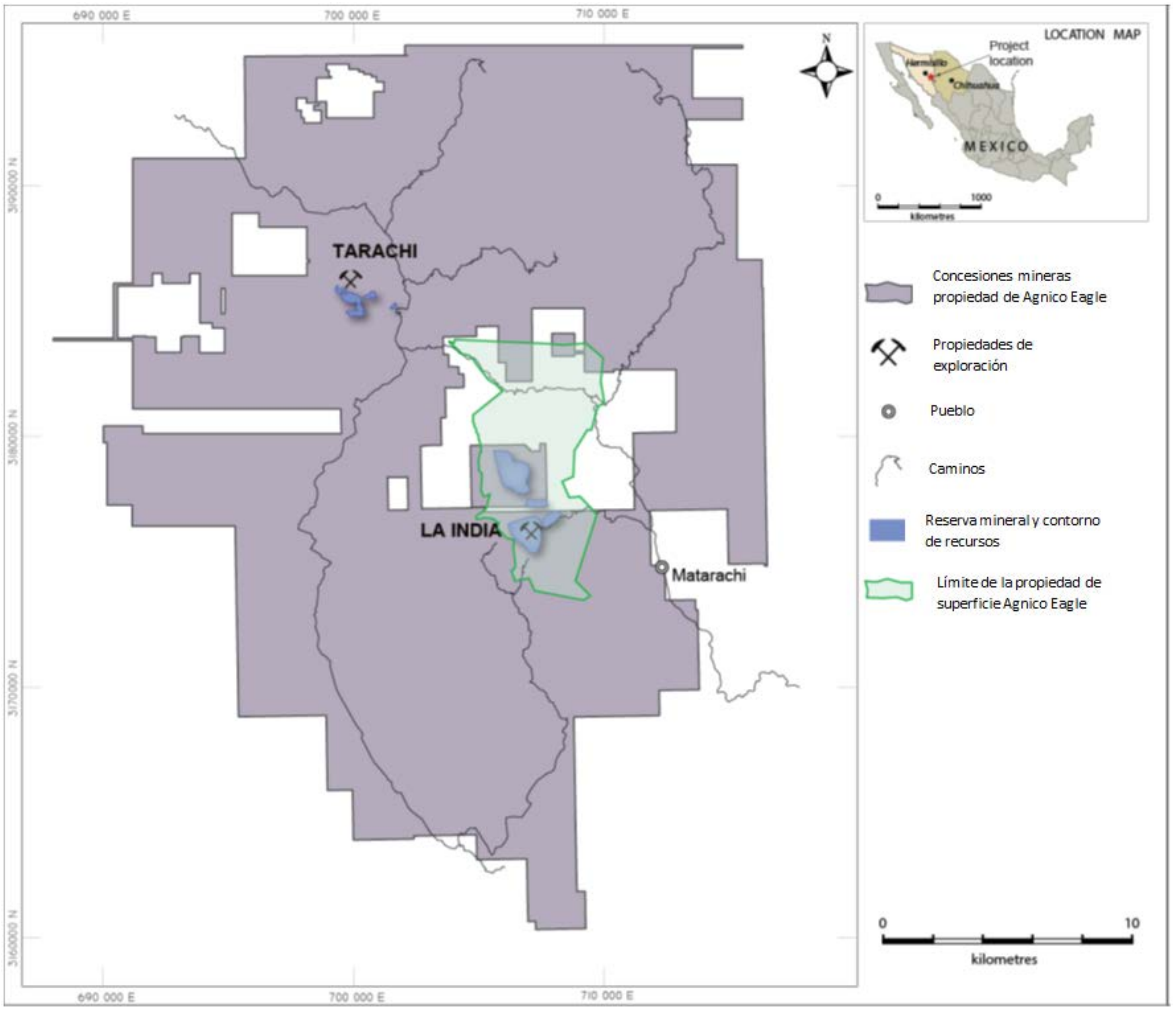


Figure 1: Regional Location Map

2.2 Background

La India operates as an open pit mine with ore production of approximately 16,000 tons per day. After mining, the ore is processed by crushing, cyanide leaching in heap leach facility (HLF), extraction of gold in carbon columns in the Adsorption, Desorption, and Recovery (ADR) plant, acid washing, pressure stripping, electro-winning, and furnace refining. A simplified process flow diagram is shown in Figure 2.

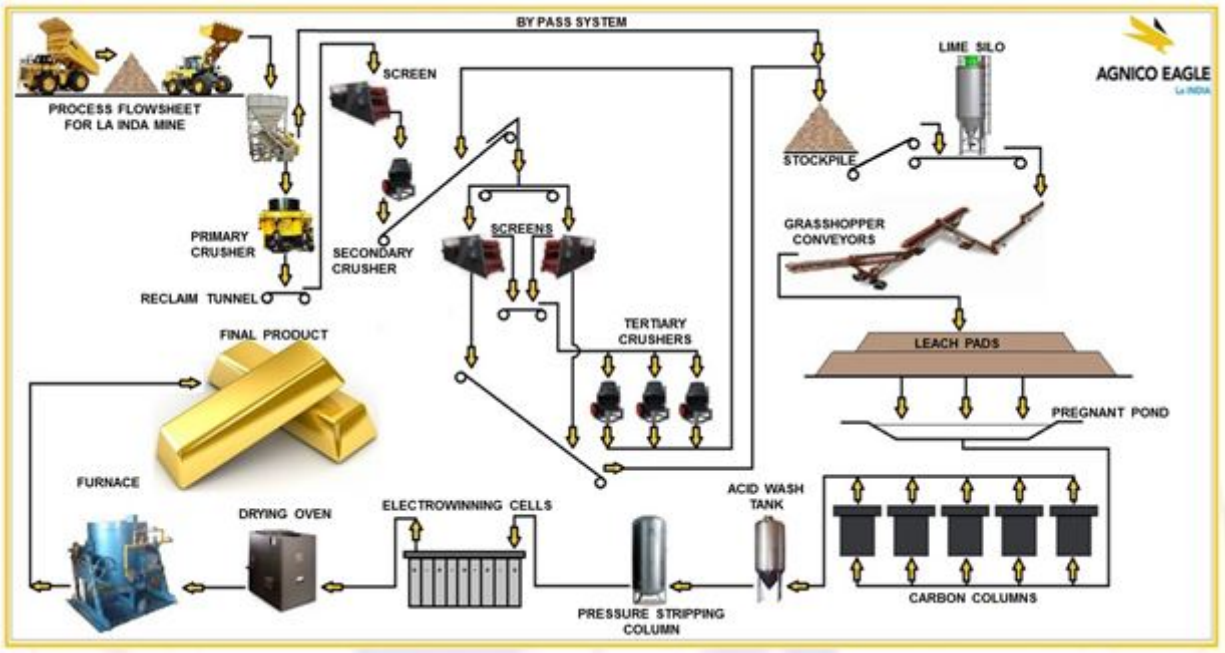


Figure 2: Process Flow Diagram

3.0 SUMMARY AUDIT REPORT

Auditors Findings

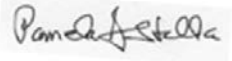
	☒ **in full compliance with**	
La India is:	☐ in substantial compliance with	**The International Cyanide Management Code**
	☐ not in compliance with	

Audit Company: Golder Associates

Audit Team Leader: Kent Johnejack, Lead Auditor and Mining Technical Specialist

Email: kjohnejack@golder.com

Name of Other Auditors

Name, Position	Signature
Pamela Stella, Subcontract Independent Auditor, ICMI Pre-certified Mining Technical Specialist	

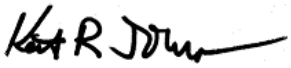
Because Golder was involved in the design of the HLF, Golder contracted with an independent auditor to prevent a conflict of interest for Standards of Practice 4.3 and 4.8. The independent auditor also addressed Principles 3 and 5, as well as the other Standards of Practice under Principle 4, even though there was no conflict of interest for those principles. The independent auditor visited the site and functioned as a mining technical specialist certified by the ICMI.

Dates of Audit

The Initial Certification Audit was undertaken over 4 days between July 20 and 24, 2017.

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

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

La India Mine		January 18, 2018
Name of Facility	Signature of Lead Auditor	Date

PRINCIPLE 1 – PRODUCTION

Encourage Responsible Cyanide Manufacturing by Purchasing from Manufacturers that Operate in a Safe and Environmentally Protective Manner

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

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 is in full compliance with Standard of Practice 1.1, requiring the operation purchase cyanide from manufacturers employing appropriate practices and procedures to limit exposure of their workforce to cyanide and to prevent releases of cyanide to the environment.

La India established a contract with The Chemours Company (Chemours) in January 2014. The contract is valid until the end of 2018 with automatic yearly extensions after that date. Clause 13(a) requires that Chemours maintain certification of its production facilities. La India receives solid cyanide produced at the Chemours plant in Memphis, Tennessee, which was most recently recertified in September 2016. Chemours operates a transloading facility in Hermosillo, Mexico that was most recently recertified in September 2017. La India has received cyanide exclusively from Chemours since 2014.

PRINCIPLE 2 – TRANSPORTATION

Protect Communities and the Environment during Cyanide Transport

Standard of Practice 2.1: **Establish clear lines of responsibility for safety, security, release prevention, training and emergency response in written agreements with producers, distributors and transporters.**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 2.1**

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 2.1, requiring that the operation establish clear lines of responsibility for safety, security, release prevention, training and emergency response in written agreements with producers, distributors and transporters.

La India has established a contract with Chemours since 2014 which prescribes that Chemours is responsible for the supply chain from the plant in Memphis, Tennessee to the mine. Clauses 13(b) and (d) require that transporters in the supply chain comply with the requirements for packaging, labelling, storage, route selection, security, interim loading, transporting, maintenance, training, and emergency response under this Standard of Practice, and that the transporters maintain certification under the Code. Clause 16 ensures that the Chemours responsibilities flow down to all contractors and their subcontractors.

Standard of 2.2: **Require that cyanide transporters implement appropriate emergency response plans and capabilities and employ adequate measures for cyanide management**

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 2.2**

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 2.2, requiring that cyanide transporters implement appropriate emergency response plans and capabilities and employ adequate measures for cyanide management.

La India has established a contract with Chemours since 2014 which prescribes that Chemours is responsible for the supply chain from the plant in Memphis, Tennessee to the mine. Clause 13(d) requires that transporters in the supply chain maintain certification under the Code. The Chemours supply chain from the plant in Memphis, Tennessee to La India is fully certified under the Code. The supply chain consists of rail and truck transport in the US and Mexico. The Chemours US/Canada and Mexico supply

chains were initially certified in 2010 and most recently recertified on August 18, 2017. La India has retained chain of custody records. The auditors reviewed these records to verify compliance.

PRINCIPLE 3 – HANDLING AND STORAGE

Protect Workers and the Environment during Cyanide Handling and Storage

Standard of Practice 3.1: **Design and construct unloading, storage and mixing facilities consistent with sound, accepted engineering practices, quality control/quality assurance procedures, spill prevention and spill containment measures.**

The operation is

☒ **in full compliance with**

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

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 3.1, requiring that cyanide handling and storage facilities are designed and constructed consistent with sound, accepted engineering practices, quality assurance/quality control (QA/QC) procedures, spill prevention and spill containment measures.

La India receives only solid cyanide in super sacks on wooden pallets and stores it inside a cyanide only warehouse. Solid cyanide is mixed only in the cyanide mix area adjacent to the warehouse. Kappes, Cassidy & Associates (Reno, Nevada) designed the facilities for unloading, storing and mixing cyanide in accordance with sound and accepted engineering practices. The auditors reviewed the as-built drawings.

The warehouse is located away from people and surface water. The warehouse is located away from where mine staff may congregate. Workers in the warehouse and mix area are required to wear personal hydrogen cyanide gas (HCN) monitors. The cyanide warehouse and cyanide mixing area have fixed HCN monitors.

The cyanide mix and distribution tanks have level indicators that have audible and visual alarms to prevent overfilling of the tanks. The auditors reviewed calibration records for the level sensors.

The floors of the cyanide warehouse and the cyanide mix and distribution tanks area are concrete with an epoxy coat and serve as a competent barrier to leakage and provide secondary containment. The sump at the offload is manually cleaned out if solids or rainfall are present. Solution from the warehouse or mix area would report to the cyanide area sump. The solution would be pumped to the cyanide mix tank via a waste collection pipe and pump. The auditors visited the warehouse and the cyanide mix area during the audit and observed them to be in good condition.

The cyanide warehouse has adequate ventilation via air extractors and passive fans and a sliding door. The warehouse is located on a raised pad to prevent entry of run-on and is walled and roofed to prevent entry of precipitation. The warehouse is within the fenced ADR plant area with controlled access at the gate and continuous security. La India does not store any other chemicals, explosives, food, and animal feed or

tobacco products other than cyanide in the cyanide storage warehouse and in the secondary containment for the cyanide mix and distribution tanks. The auditors observed that there are no flow paths to allow commingle of the cyanide with incompatible materials.

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

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:

The operation is in full compliance with Practice 3.2 requiring that cyanide handling and storage facilities are operated using inspections, preventive maintenance and contingency plans to prevent or contain releases and control and respond to worker exposures.

La India manages the empty super sacks and wooden pallets to prevent reuse, to prevent exposure to residual cyanide, and to properly dispose of components. La India has written procedures for the management, rinsing and disposal of the super sacks and wooden pallets. La India tracks the entry of each container delivery into the cyanide warehouse. After mixing, bags are rinsed, the rinse solution drains into the mixing tank. The rinsed bags and wooden pallets are temporarily stored in the cyanide warehouse. La India ships the empty super sacks and wooden pallets to a hazardous waste landfill by a government-certified shipper. La India does not return any cyanide containers to the vendor. The auditors observed a mixing event to verify the procedure was implemented. The auditors reviewed examples of shipping manifests to verify compliance.

La India has written procedures that outline the requirements for inspection, offload, observation and mixing of cyanide. One of the procedures includes instructions for the operation of critical valves related to the addition of caustic, barren solution and connection with the distribution tank and operation of valves and couplings during the mixing. One procedure is for the offload from the transporter into the warehouse and another procedure is for the transportation from the warehouse to the mix area. La India has a written procedure that specifies a maximum stacking height of two super sacks on their wooden pallets in the warehouse. The procedure Preparation of Cyanide addresses the requirement for prompt clean-up of solid cyanide spills during mixing. Any liquid spills or leaks within the concrete containments are automatically pumped from the mixing area sump back into the cyanide mix tank. This procedure also requires that personnel wear personal protective equipment (PPE) including Tyvek® suits, full-face shield, dust respirator, hardhat, rubber boots, acrylic nitrile gloves and a personal HCN monitor during mixing. The procedure requires that a minimum of two operators be present for the mixing. An offload and cyanide-

mixing event were observed during the audit. The review indicated that La India has developed an appropriate checklist, defined the safe tasks, and appropriate observation to safely complete and document all mixing events.

PRINCIPLE 4 – OPERATIONS

Manage Cyanide Process Solutions and Waste Streams to Protect Human Health and the Environment

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

The operation is

☒ **in full compliance with**

☐ in substantial compliance with **Standard of Practice 4.1**

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 4.1, requiring that the operation implement management and operating systems designed to protect human health and the environment including contingency planning and inspection and preventive maintenance procedures.

La India has developed written management and operating plans and procedures for the cyanide facilities.

Procedures and operating plans cover the following cyanide operations:

- The cyanide offload and storage warehouse
- The cyanide mix, distribution and barren solution tanks
- The ADR plant, carbon-in-columns (CIC) tanks, carbon washing, stripping and handling
- The HLF (heap leach pad, under drains, the pregnant pond, the excess pond)
- Pumps and piping connecting these facilities

Procedures and operating plans were reviewed and were found to be sufficiently detailed to enable safe operation.

La India has plans and procedures that identify the design criteria for safe management of cyanide. The Heap Leach Pad and Ponds Design reports for Phase 1 and Phase 2 include the assumptions and parameters. La India has also developed operational procedures that incorporate the assumptions and parameters on which the design was based.

La India has developed a written procedure to manage operational and physical changes, either temporary or permanent. The procedure requires assessment of health, safety, environmental, production, and stakeholder risks.

La India has prepared an Emergency Response Plan (ERP) and various procedures that address contingency procedures for upset water balance, deviations from design that are identified during inspection

or monitoring and temporary closure. The plan and procedures contain all types of emergencies specific to each facility at the mine with respect to environmental or health/safety impacts.

La India inspects specific cyanide facilities in accordance with the Code to ensure they are working properly. Cyanide facilities are inspected at a reasonable frequency for each type of inspection to ensure they are working properly. The inspection frequency varies from daily, weekly, monthly, and every 6 months depending on the facility and type of inspection. Wildlife inspections are performed daily.

Tanks are visually inspected on a weekly basis by the ADR department. La India schedules an annual non-destructive testing of cyanide tanks. Secondary containments in the warehouse and the ADR plant are visually inspected daily for their integrity, the presence of fluids and solids and their available capacity, and to ensure that the sumps are free of debris and the pumps are operational. The leak detection systems for the pregnant pond and the excess pond are monitored daily by the environmental department and weekly by the ADR department. Pipelines, pumps, and valves are visually inspected for deterioration and leakage on a weekly basis by the ADR department. The pregnant and excess ponds are inspected on a weekly basis by the ADR department and on a daily basis by the environmental department to document available freeboard. These inspections also include the pad and pond underdrains inlets and outlet that are utilized to manage the run-on from upgradient areas around the pads and ponds. The auditors reviewed examples of completed inspection forms from April 2016 to July 2017 to verify compliance.

La India's inspection records include the date of inspection, the name of the inspector, and any observed deficiencies. Corrective measures are noted directly on the hard-copy inspection records in the situations where deficiencies were noted. The auditors reviewed completed examples to confirm the records are retained.

La India has a documented preventive maintenance program to ensure that equipment and devices function as necessary for safe cyanide management. The preventive maintenance program is used to perform necessary maintenance and inspect the integrity of process equipment, piping and tanks, according to a maintenance program and every time is needed to keep equipment and installations properly working. La India uses the software database JD Edwards to track the maintenance history of various equipment. Examples of key cyanide equipment records were reviewed in JD Edwards by the auditors.

La India does not have an electrical national grid power supply. They produce their own on-site power at a station equipped with five CAT35122 (1230 kW capacity each). There is a back-up generator (750 kW-capacity Cummins) located at the ADR plant adjacent to the barren solution tank and process ponds. La India stated that the back-up generator has sufficient capacity to run the pumps to maintain

solution circulation between the pad and the ponds in order to prevent unintentional releases or exposures in the event of primary power interruption.

La India has a preventive maintenance program for the generators and is conducted every 250 hours of running time and the generators are tested every 15 days. The back-up generator is tested every 15 days and test results were reviewed by the auditors. The maintenance and testing records of the primary generators were reviewed during the audit of select generators to verify compliance.

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

☒ **in full compliance with**

The operation is

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

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 4.2, requiring that the operation limit the use of cyanide to that optimal for economic recovery of gold so that the waste tailings material has as low a cyanide concentration as practical.

Not applicable because La India does not have a mill or generate tailings.

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

☒ **in full compliance with**

The operation is

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

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

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

La India has a comprehensive, probabilistic water balance to prevent the overtopping of the process ponds. The model is probabilistic in that it addresses the 100-year, 24-hour storm event and annual precipitation for wet, dry, and average years. The model is comprehensive in that it includes the appropriate facilities (i.e., the pad, pregnant pond, and excess pond) and the appropriate physical mechanisms (i.e., solution application to the pad, ore moisture retention, precipitation, evaporation, changes in process pond volumes, and power outages).

The model uses the barren solution application rate to the pad, ore moisture content, residual moisture content, and the stacking regime. A design storm of 180 mm for the 100-year, 24-hour event and on-site daily precipitation and evaporation data provide a sufficient degree of probability that the overtopping of the process ponds can be prevented. Freeze/thaw, run-on from upgradient, seepage losses, and discharge to surface water are inapplicable. Subdrains were installed beneath the pad liner to control the seepage from springs.

La India has developed a written procedure to implement the water balance and prevent overtopping of the overflow pond. La India monitors pond levels by daily visual inspection and weekly surveys. La India conducts weekly inspections of the upgradient underdrain inlets and downgradient outlet at the underdrain sump. The auditors reviewed inspection forms to verify compliance.

La India has established 1.5-meter freeboard in the pregnant and excess ponds. The auditors reviewed time series graphs of the pregnant and excess ponds and verified that the freeboard was never exceeded

La India collects precipitation and evaporation data from an onsite meteorological station. These data are incorporated into the water balance model. The auditors reviewed data from the start of operation to verify compliance.

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:

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

The pregnant and the excess ponds are the only open waters at La India. The Weak Acid Dissociable (WAD) cyanide concentration in the pregnant pond is greater than 50 milligrams per liter (mg/L). La India has installed bird netting over the pregnant pond to restrict bird access. The WAD cyanide concentration in the excess pond is always well below 50 mg/L. There is fencing around the ponds to prevent wildlife and livestock access. Pregnant solution is conveyed from the pad to the pregnant pond in piping thus eliminating open water in the lined containment channels.

La India has prevented significant wildlife mortalities. The auditors reviewed a register showing that there were no mortalities of mammals or birds at the ponds and no bird mortalities at the pad.

La India has developed a written procedure to manage ponding on the surface of the heap leach pad. The process and environmental staff inspect for ponding and wildlife daily. The auditors observed locations where netting was installed over puddles and small channels were dug to drain puddles. Overall, the minor ponding was being addressed according to the written procedure. The HLF is located in a topographic bowl and the potential for overspray is generally limited to uphill slopes that are covered with geomembrane.

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

☒ **in full compliance with**

The operation is

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

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

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

La India does not have direct or indirect discharges to surface water. The underdrain sump for the underdrains is located along side an arroyo, which is downstream from the pad and ponds. Water from the underdrains is non-impacted surface water from upgradient of the pad and ponds and spring water beneath the pads. La India has one surface water sampling point at this sump. Water from this sump is pumped into the excess pond and is not discharged to the arroyo. Analytical results for free, WAD and total cyanide were non-detect from the start of operations to the time of the audit. La India is not engaged in any remedial activity for surface water. The arroyo is usually dry and does not support aquatic life. Therefore, there is no designated use for aquatic life in the arroyo.

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

☒ **in full compliance with**

The operation is

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

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

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

La India has implemented measures to protect groundwater. The heap leach pad and pipeline secondary containment channel are constructed with a composite liner (geosynthetic clay liner, 1.5-millimeter (mm) High Density Polyethylene (HDPE) geomembrane, geonet and then another 1.5-mm HDPE geomembrane). The pregnant and excess ponds are constructed with a composite liner and are equipped with leak detection, collection, and recovery systems. The ADR plant and warehouse are constructed with compacted earthen fill and epoxy coated concrete floors.

At La India, groundwater is used for the following beneficial uses near and at the mine area: mining, industrial, and human consumption. La India monitors groundwater quarterly at the point of use in four groundwater wells downgradient of the site. The auditors reviewed a spreadsheet of quarterly groundwater monitoring results that showed the results were non-detect for total cyanide from 2014 to July 2017.

La India does not have a mill or an underground mine and therefore does not place tailings in underground workings.

La India does not have seepage from its operations and is not engaged in groundwater remediation.

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:

The operation is in full compliance with Standard of Practice 4.7 requiring that the operation provide spill prevention or containment measures for process tanks and pipelines.

La India has provided secondary containment for the cyanide offload and warehouse and cyanide-related tanks. Design drawings were reviewed and the containment areas observed and to be in good condition and free of materials stored within the containments.

La India has sized secondary containments for all cyanide-related tanks. La India has sized the secondary containments in the cyanide mix/distribution area and the ADR plant for more than 110 percent of the largest tank volume. The auditors observed all of the secondary containments to be in good condition.

La India has designed all of the secondary containments for the CIC and the cyanide warehouse and mix/distribution area with sumps and pumps that would put the solution back into the process circuit and not to the environment. Any released solution from the barren solution tank would flow by gravity to the pregnant pond.

La India has provided secondary containment for all cyanide process tanks and cyanide-containing pipelines to collect and prevent releases to the environment. The cyanide-related pipelines between the plant/pond area and the heap leach pad, including both Phase 1 and 2, are HDPE pipes within a geomembrane-lined channel, or within the limits of the geomembrane-lined pad itself. The ADR plant has secondary containment for all cyanide solutions. The pipeline from the ADR plant to the barren tank has an HDPE secondary liner. The auditors observed the pipeline secondary containments to be in good condition.

La India does not have any cyanide-related pipelines that across surface water because there are no perennial watercourses or permanent surface water bodies in the vicinity of La India.

All cyanide-related tanks and pipelines at La India consist of stainless steel, mild steel, or HDPE. These materials are compatible with high pH and cyanide. The auditors observed the pipelines to be in good condition.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 4.8**

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 4.8 requiring that operations implement QA/QC procedures to confirm that cyanide facilities are constructed according to accepted engineering standards and specifications.

The existence and contents of the QA/QC programs for the cyanide facilities were evaluated and found compliant during the audit. The content of the QA/QC program included borrow characterization, earthworks observation and testing (including compaction), liner placement and testing, concrete placement and testing, and welding inspection as applicable to each new or modified facility. The auditors reviewed QA/QC reports to verify compliance.

La India employed or subcontracted to qualified civil engineers to review and approve the completed projects for the cyanide facilities. The subcontracted engineering company signed the QA/QC reports. The QA/QC engineering companies had the equivalent of professional registration in Mexico or professional engineers registered in the US.

La India has retained QA/QC records in a library in the administration building. The auditors observed the hard copy reports in the library to verify compliance.

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 4.9**

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

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

La India has developed written programs for environmental monitoring. The documents include surface water, groundwater, and fauna monitoring. The environmental monitoring procedures were prepared and updated by qualified La India personnel in conjunction with a staff of a certified water quality analytical laboratory. Staff from the laboratory collects the samples according to written procedure. La India contracts with certified laboratories for external analysis of cyanide. La India documents contain sampling methods, tables of constituents (including cyanide species), chain-of-custody requirements, and a sampling schedule. The laboratory procedure contains details on sampling, containerization, preservation, handling and shipping. The auditors reviewed procedures and field sheets to verify compliance.

La India monitors surface water and groundwater downgradient of the cyanide facilities. There is no perennial surface water in the vicinity of the mine. La India is a zero discharge facility and does not discharge process water to any location. La India monitors groundwater quality down gradient of the HLF and the process plant.

La India inspects the heap leach pads and pregnant ponds daily for and records wildlife mortalities related to contact with ingestion of cyanide solutions. The auditors reviewed examples of inspection forms and the logbook to verify compliance.

The auditor's professional judgement confirms that La India conducts monitoring of groundwater and surface water and wildlife at the pads and ponds at frequencies that are adequate to characterize the medium being monitoring to identify changes in a timely manner.

PRINCIPLE 5 – DECOMMISSIONING

Protect Communities and the Environment from Cyanide through Development and Implementation of Decommissioning Plans for Cyanide Facilities.

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

☒ **in full compliance with**

The operation is
☐ in substantial compliance with **Standard of Practice 5.1**
☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

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

La India has developed a closure plan that includes written procedures to decommission cyanide facilities at the cessation of operations. The Closure Plan was developed in 2015 and includes a description of decommissioning activities for the heap leach pad, process ponds, the ADR plant, cyanide warehouse, and pipelines.

La India has developed an Implementation Schedule for closure that includes the major decommissioning activities for the cyanide facilities.

La India's Closure Plan includes a statement regarding review and revision of the Plan indicating that La India and Agnico Eagle require all closure plans and estimated costs be reviewed and updated as needed every year or following significant operational changes.

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

☒ **in full compliance with**

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

Summarize the basis for this finding/deficiencies identified:

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

La India has developed cost estimates to fully fund third party implementation of the cyanide-related decommissioning measures that are identified in the Closure Plan. Labor and equipment rates are based on updated quotes from contractors and vendors in Mexico.

La India has been in operation less than 5 years and has not had changes in their decommissioning plans; therefore the cost estimate has not been updated.

The local government jurisdiction does not require financial guarantees for the full cost of closure. La India has established self-guarantee as a financial assurance mechanism to cover the estimated costs for cyanide-related decommissioning activities as identified in its decommissioning and closure strategy. Ernst & Young, a Chartered Accountant, reviewed La India's closure costs and compared the costs to the audited finances through December 31, 2016. The audit was conducted in accordance to the Mexican Norms of Financial Information and to section 40CFR 264.143(f) of the US Code of Federal Regulation and concluded that Agnico Eagle Mexico has sufficient financial solidity to comply with its closure cost and obligations for cyanide-related decommissioning activities.

PRINCIPLE 6 – WORKER SAFETY

Protect Workers' Health and Safety from Exposure to Cyanide

Standard of Practice 6.1: Identify potential cyanide exposure scenarios and take measures as necessary to eliminated, reduce and 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 site is in full compliance with Standard of Practice 6.1 requiring that the site identify potential cyanide exposure scenarios and take measures as necessary to eliminate, reduce and control them.

La India has developed a set of plant, pad, environmental, safety, and maintenance procedures that describe the practices to minimize worker exposure during unloading, mixing, plant/pad operations, entry into confined spaces, and equipment decontamination. Each procedure has a standardized format that includes the specific steps to safely complete each task and a section on personal protective equipment. Where applicable, procedures are accompanied by pre-work inspection forms (e.g., unloading cyanide containers from the trucks and mixing cyanide). The auditors reviewed these procedures and pre-work inspection forms to verify compliance. The auditors also observed signage requiring personal protection equipment (PPE) and workers wearing the appropriate PPE during the site visit.

La India has developed a written procedure for evaluating changes to equipment, materials, processes, projects, and work conditions. The procedure requires the participation of the chiefs of environment and safety. The auditors observed a binder of completed change forms for 2016-2017, and reviewed in detail recent examples for changes the type of (a) autonomous respirators for rescues, and (b) thiosulfate to cyanokit as antidotes. In both cases, safety and medical staff participated as members of the evaluation team, as well as the cyanide code champion for the mine.

Supervisors and workers have jointly developed the procedures at La India during meetings and in the field. Operators sign the cover sheet of each procedure after all agree on its content. The auditors reviewed binders of such signed procedures at the ADR Plant and heap leach pad to verify compliance. In addition, the auditors interviewed an ADR Plant operator who confirmed that workers provided input to procedures before signing the cover sheets.

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

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 is in full compliance with Standard of Practice 6.2 requiring that the site operate and monitor cyanide facilities to protect worker health and safety and periodically evaluate the effectiveness of health and safety measures.

La India has developed procedures that specify the pH for limiting the evolution of hydrogen cyanide (HCN) gas during preparation and production activities. The pH specified for the plant and pad is a minimum of 10.5, while the pH specified for mixing cyanide is between 11.0 and 11.5. The auditors reviewed pH data in spreadsheets and checklists to verify that the pH was maintained as prescribed in the procedures.

La India has installed fixed HCN monitors in strategic locations and requires workers to wear portable HCN monitors while performing cyanide-related activities. Fixed monitors with audible and visual alarms have been installed at the mixing area, acid wash area, and cyanide warehouse. Pad and plant staff have sufficient portable monitors per shift. La India has set the alarm levels at 4.7 parts per million (ppm) (alert) and 10 ppm (evacuation). An alert means that the operators will continue to closely monitor the concentrations. The auditors observed the fixed monitors, as well as workers wearing the portable monitors.

La India has identified areas and activities with potential exposure to HCN gas via a qualitative risk assessment for each mine area. The mine's procedures require PPE for cyanide-related activities. The auditors observed pad and plant workers wearing the prescribed PPE (as specified for each task) of hard hats, face masks, safety glasses, Tyvek suits, dust masks, respirators, rubber boots, and neoprene gloves.

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

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

La India has installed shower/eyewash stations and fire extinguishers in strategic locations throughout the mine. The auditors randomly tested selected shower/eyewash stations during the site visit, as well as

randomly checked selected fire extinguishers to verify they were the correct type. The auditors also reviewed completed monthly inspection forms from 2017 for the shower/eyewash stations and fire extinguishers to verify compliance.

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

La India has placed hard copies of the cyanide Material Data Safety Sheets (MSDS) at the warehouse, mixing area, plant, and pad. The MSDS were in Spanish, the language of the workforce. The auditors observed these MSDSs to verify compliance.

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

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

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/deficiencies identified:

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

La India has water, oxygen, resuscitators, antidote kits, and communication methods available at the cyanide facilities. The plant and pad kits are stored within mini-refrigerators and contain amyl nitrite, water, activated carbon, and oxygen tank. The clinic has three types of cyanide antidotes: amyl nitrite, cyanokit, and thiosulfate. The auditors verified that all antidotes were stored at the correct temperature and were not expired. Automatic External Defibulators (AEDs) are located at the plant, clinic, and ambulance. Operators at the plant and pad have radios, as well as the clinic and ambulance. This equipment is inspected monthly in accordance with a written procedure using an inspection form. The auditors inspected the kits and equipment, and reviewed completed inspection forms, to verify compliance.

La India has developed a written procedure that describes how to respond to cyanide exposures. The procedure contains sections on cyanide chemistry, symptoms, first aid for conscious and unconscious

victims, and advanced medical attention. In addition, the auditors noted signage around the plant and pad that indicated response measures for cyanide exposures.

La India has an on-site clinic and an ambulance to provide medical assistance to workers exposed to cyanide. The clinic has coverage 24 hours a day 7 days a week by a staff of two doctors and three paramedics. The staff have completed the Chemours training on cyanide response. The auditors inspected the clinic and ambulance, and also reviewed the training certificates, to verify compliance.

La India's ERP describes the air transport procedure by Pima Air Taxi to the Hospital San Jose in Hermosillo. La India has provided the hospital with a cyanide antidote kit, sent a letter advising of possible cyanide exposure cases, and helped with arrangements for the hospital doctors to participate in Chemours medical training. Five doctors from the hospital completed the Chemours medical training in 2017. The auditors reviewed letters from La India to the hospital, as well as training certificates for five hospital doctors, to verify compliance.

La India has conducted drills periodically to test response procedures for cyanide exposures and spills. Three drills that simulated cyanide exposures and the entire response sequence have been completed in the year leading up to the audit site visit. Each drill was accompanied by a report and an evaluation form that included follow-up actions to improve response planning. The auditors reviewed drill reports, evaluation forms, and documentation for follow-up actions to verify compliance.

PRINCIPLE 7 – EMERGENCY RESPONSE

Protect Communities and the Environment through the Development of Emergency Response Strategies and Capabilities

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

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:

The operation is in full compliance with Standard of Practice 7.1 which requires that the site prepare detailed emergency response plans for potential cyanide releases.

La India has prepared an ERP covering all areas of the mine and various types of incidents. The ERP was most recently updated in June 2017. The ERP covers scenarios applicable to the site and refers to other procedures for additional details. The scenarios include HCN gas release; transportation accidents; releases during unloading and mixing; releases during fires and explosions; leaks from rupture of tanks, valves, pipes, etc.; pond overtopping; power outages; seepage from cyanide facilities; and slope failure at the leach pad. The ERP does not include a scenario for failure of cyanide treatment, destruction, or recovery systems as La India does not have these types of facilities. The auditors reviewed the ERP to verify compliance.

Planning for response to transportation emergencies has been addressed by both La India and by Chemours. La India has prepared their own procedure for responding to transport emergencies. By virtue of the certification of the Chemours supply chains, factors such as chemical form, transportation method, road/rail conditions, and design of the transport vehicle, have been considered.

The La India ERP describes specific response actions for evacuation of site personnel and nearby communities; first aid and use of cyanide antidotes, personnel decontamination, and environmental incidents. The ERP has a specific section covering management of cyanide spills. The auditors reviewed the relevant sections of the ERP to verify compliance.

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

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Standard of Practice 7.2**

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

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

La India has involved its workers, stakeholders, and nearby communities in the cyanide emergency planning process. La India annually presents a PowerPoint course and quiz to workers on the ERP, during which the workers have the opportunity to provide input. La India formally submitted the ERP to the largest town near the mine, Sahuaripa, who approved the ERP in a letter. La India has also involved government agencies, representatives of regional cities, and the brigade from Agnico Eagle's mines in Chihuahua in drills and discussions regarding emergency response. La India has communicated with the San Jose Hospital in Hermosillo, as the hospital could also be involved as an outside entity with patients transported to the hospital, as described in the ERP. La India gave a presentation in 2017 to the small nearby communities of Matarachi, El Trigo, and La Iglesia that included a discussion of cyanide emergency response. La India staff stated that this presentation will take place annually in the future as part of ongoing communications.

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

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Standard of Practice 7.3**

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 7.3 which requires that the site designate appropriate personnel and commit necessary equipment and resources for emergency response.

The La India ERP includes an organization chart for the incident command structure showing the primary and alternative coordinators with the authority to commit resources, as well as each member of the emergency brigade. Section 9 of the ERP requires that brigade members complete training and be certified for emergency activities. Section 14 of the ERP specifies the duties and responsibilities of the coordinators and team members. The ERP also contains a series of tables listing all emergency response equipment/supplies and their locations. A separate procedure describes inspection of emergency equipment.

The clinic staff are responsible for calling out brigade members. Callout contact information is regularly updated on a whiteboard in the clinic to show which brigade members are onsite each day, which shift they work, their room assignments at the mine camp, phone numbers, and radio channels. The auditors observed the whiteboard and interviewed clinic staff to verify compliance.

La India stated that outside government entities would not have an onsite role in a cyanide-related emergency, although such entities might have an offsite role depending on the nature of the incident. Nonetheless, La India has involved outside entities in planning and drills on several occasions. In December 2015, La India held a mock drill for HCN intoxication at the plant that was observed by government staff from several nearby towns and a federal government representative. In July 2017, La India participated in the National Day of Preparation and Response to Chemical Emergencies and shared information with regulators about emergency response at the mine. La India also has a mutual assistance agreement with the Agnico Eagle Mascota and Pinos Altos Mines in the neighboring state of Chihuahua wherein the brigade captain from Chihuahua visits La India approximately twice per month.

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 operation is in full compliance with Standard of Practice 7.4 which requires that the site develop procedures for internal and external emergency notification and reporting.

The La India ERP contains procedures and contact information for notifying management, regulatory agencies, and medical facilities. The procedures for notifying management are incorporated into the incident command structure, while procedures for reporting to regulatory agencies are shown in a series of flow charts. Coordination procedures with medical facilities are described in the section on evacuation of injured workers via air to the Hospital San Jose in Hermosillo. The ERP contains tables of contact information for outside emergency response organizations, regulatory agencies, vendors/suppliers, and mine managers.

The La India ERP also contains procedures and contact information for notifying nearby communities and for communicating with the media. Section 28 contains procedures for contacting communities and a table of contact information. External communications, such as requests for information or press releases, are discussed under the role of the public information officer in the incident command structure.

Standard of Practice 7.5: **Incorporate in 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 operation is in full compliance with Standard of Practice 7.5 which requires that the site incorporate in response plans and remediation measures monitoring elements that account for the additional hazards of using cyanide treatment chemicals.

The La India ERP and an associated procedure describe specific remediation measures. The ERP describes general steps, while the procedure for neutralizing soils contaminated by cyanide details specific measures. The procedure includes methods to recover solution or solids with hand tools and heavy equipment, as well as neutralization with sodium hypochlorite. The steps to mix a 13 percent solution are detailed and an appendix shows a picture of where the sodium hypochlorite is stored in the chemical warehouse. The procedure also contains an iterative sampling method for soil wherein samples are collected, analysed for total cyanide at the internal laboratory, and additional soil is excavated until the endpoint of 0.2 ppm is achieved. A separate section describes a general approach to sampling surface water and groundwater using an accredited laboratory and refers to a specific environmental department sampling procedure for details.

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

Section V.K. of the La India procedure for neutralizing soils contaminated by cyanide specifically prohibits the use of sodium hypochlorite, ferrous sulphate and hydrogen peroxide to releases to surface water.

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:

The operation is in full compliance with Standard of Practice 7.6, which requires that the site periodically evaluate response procedures and capabilities and revise them as needed.

The La India ERP states that it will be changed when it is necessary and includes a revision table showing that it was revised twice in the year leading up to the initial audit. La India completed three cyanide-related mock drills for both releases and exposures in 2016 and 2017. These drills covered the entire response process from callout to response measures. Each drill was accompanied by a report and an evaluation form that included follow-up actions to improve response planning. La India has developed a procedure that the ERP will be evaluated after emergencies requiring its activation. La India staff stated that such reviews have not been needed as of the time of the initial audit.

PRINCIPLE 8 – TRAINING

Train Workers and Emergency Response Personnel to Manage Cyanide in a Safe and Environmentally Protective Manner

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

The operation is

☒ **in full compliance with**

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

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

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

La India provides a 3-hour cyanide induction course and regular 6-month refreshers to all employees and contractors that may encounter cyanide. La India has developed a training matrix specifically for tracking successful completion of cyanide induction and refresher training. La India also uses the "System 3 (Sistema 3)" software to track all training at the mine. The auditors reviewed the cyanide training matrix and random queries from the software to verify that training was completed and that records were retained.

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:

The operation is in full compliance with Standard of Practice 8.2 which requires that the site train appropriate personnel to operate the facility according to systems and procedures that protect human health, the community and the environment.

La India task trains operators involved in unloading, mixing, production (plant and pad), and maintenance to work safely with cyanide and prevent cyanide releases. La India bases task training on their safe work procedures, which contain elements for PPE, dangers, procedural steps, forms (if applicable), among others. Each procedure is also accompanied by a PowerPoint presentation and a quiz. The auditors reviewed these procedures, presentations, and quizzes to verify compliance.

La India uses qualified plant and pad supervisors to provide task training. The supervisors are appropriately educated, have several years of experience, and have received leadership training that provide additional expertise in learning styles, emotional intelligence and leadership methods.

La India trains staff prior to working with cyanide and then provides refreshers to ensure that operators continue to perform their tasks in a safe and environmentally protective manner. Queries of training histories in the "Sistema 3" software for randomly selected staff demonstrated that staff are continuously trained from the start of employment. The training histories for the operators who have been at the mine the longest showed multiple entries over the years for the same procedures. The auditors also interviewed plant operators, pad operators, and contractors. All stated that they had received task training before being allowed to work independently and that they have received refreshers.

La India evaluates the effectiveness of training by both testing and observation. The training records in the "Sistema 3" software have a column for quiz scores. Supervisors also observe workers to evaluate their skills. The auditor reviewed randomly selected queries from the software and an observation form to verify compliance.

La India retains task training records for the duration of an individual's employment with the mine. The "Sistema 3" records and hard copy forms include the name of the course, date, duration (hours), quiz scores, course content, and instructor names.

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

The operation is

☒ **in full compliance with**

☐ in substantial compliance with **Standard of Practice 8.3**

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 8.3 which requires that the site train appropriate workers and personnel to respond to exposures and environmental releases of cyanide

La India trains operators whose tasks involve cyanide with basic cyanide first aid and response measures. Operators are trained to alert the brigade, stop the release (if safe to do so), remove the victim (if safe to do so), and administer the amyl nitrite antidote. Operators practice during the training course in first aid and basic cyanide emergency response. La India has also provided in-depth training to brigade members in first aid, decontamination, anatomy, poisoning, trauma, hazmat, PPE, self-contained breathing apparatus, communication, incident command, fire control, vehicle extraction, ropes/knots, confined spaces, and

evacuation. There is a specific course on the ERP and evacuation routes, as well as a course that includes administering cyanide antidotes.

La India stated that outside entities would not have an onsite role in a cyanide-related emergency, although such entities might have an offsite role depending on the nature of the incident. Nonetheless, La India has involved outside entities in planning and drills on several occasions, including government staff from regional towns and federal agencies. La India has made arrangements with the San Jose Hospital in Hermosillo to treat patients intoxicated by cyanide. Finally, La India has a mutual assistance agreement with the Agnico Eagle Mascota and Pinos Altos Mines in the neighboring state of Chihuahua.

La India provides refresher training to operators whose tasks involve cyanide every 6 months. The brigade receives training monthly on various topics, and each year the topics are repeated.

La India has conducted three drills in the year leading to the audit site visit to test procedures for cyanide exposures and spills. La India has contracted with an outside entity to observe mock drills with respect to materials, equipment, skills, and training. The evaluation for the December 2016 mock drill highlighted additional training needs for the brigade. The auditors reviewed records showing that the training has either been completed, or is planned, in 2017.

La India retains all training records for the duration of an individual's employment with the mine. Records of the name of the course, date, duration (hours), and test scores are maintained in the "Sistema 3" software. Additional information on the course content and instructors is contained on hard copy forms.

PRINCIPLE 9 – DIALOGUE

Engage in Public Consultation and Disclosure

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

☒ **in full compliance with**

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

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 9.1 which requires that the site Provide stakeholders the opportunity to communicate issues of concern.

La India provides opportunities for stakeholders to communicate concerns regarding cyanide. La India has an open door policy where the guards at the main gate know to alert the community relations staff if the public approaches with issues. La India has distributed phone numbers, email addresses, and Twitter, What's Up and Facebook contacts for community relations staff via posters and personal contact. The corporate website, accessed at https://www.agnicoeagle.com/English/about-agnico/governance/default.aspx provides contact information for a confidential hotline via phone, fax, mail, and email. La India also has available a magazine listing an email address. Complaints of any type are managed via a written procedure that includes a complaints register. The community relations supervisor stated, however, that the best method to receive information is to personally visit the local communities given that telephone and internet services are poor in the region. The auditors reviewed weekly communications reports to verify that the mine is in constant contact with the nearby communities, thus providing continuous opportunities to express concerns regarding cyanide management.

Standard of Practice 9.2: Initiate dialogue describing cyanide management procedures and responsively address identified concerns.

☒ **in full compliance with**

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

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 9.2 which requires that the site initiate dialogue describing cyanide management procedures and actively address identified concerns

La India interacts with stakeholders primarily through regular visits to the local communities because the area around the mine is extremely rugged with poor telephone and internet services. La India sponsors a summer ecology camp in the nearby village of Tarachi and supports the local custom of organized horse

rides (“cabalgatas”). In addition, La India donates funds to local schools and the mine clinic is open to the public. The auditors reviewed weekly communications reports to verify that the mine is in constant contact with the nearby communities.

Standard of Practice 9.3: Make appropriate operational and environmental information regarding cyanide available to stakeholders.

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 9.3**

☐ not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 9.3 which requires that the site make appropriate operational and environmental information regarding cyanide available to stakeholders.

La India has developed handouts and trifold pamphlets describing cyanide use, management, emergencies, and contingencies. These written descriptions are provided to community members during the regular visits and talks. The local literacy rate is 95 percent with Spanish as the primary language. The community relations staff accompany the handouts and pamphlets with verbal presentations during regular community visits. The auditors reviewed weekly reports of community relations activities to verify that written materials were disseminated and explained.

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

Report Signature Page

GOLDER ASSOCIATES INC.

Kent R. Johnejack, PE, CEA
ICMI Lead Auditor and Mining Technical Specialist
Senior Consultant/Principal

Date: January 18, 2018

KJ/rt

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Africa	+ 27 11 254 4800
Asia	+ 852 2562 3658
Australasia	+ 61 3 8862 3500
Europe	+ 356 21 42 30 20
North America	+ 1 800 275 3281
South America	+ 56 2 2616 2000

solutions@golder.com
www.golder.com

Golder Associates Inc.
4730 N. Oracle, Suite 210
Tucson, AZ 85705
Tel: (520) 888-8818
Fax: (520) 888-8817

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