ICMI Certification
Summary Audit Report

San Andres Mine
San Andres, Honduras

Version 1.3
12 May 2014

Submitted to:

International Cyanide Management Institute
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1.0 INTRODUCTION

This section of the Summary Audit Report includes contact information for Aura Minerals Inc. (Aura), a description of the location of the San Andres Mine, some background to the mining operation, and a description of the mining and processing operations.

1.1 Contact Information

Name of Mine:	San Andres Mine
Name of Mine Owner:	Aura Minerals Inc.
Name of Mine Operator:	Aura Minerals Inc.
Name of Responsible Manager:	Monty Reed, General Manager
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E-mail:	mreed@auraminerals.com

1.2 Mine Location

The San Andres Mine (San Andres) is an open-pit heap leach gold mine located in the highlands of western Honduras, in the municipality of La Union, Department of Copan, Honduras, approximately 300 kilometres northwest of the country's capital city, Tegucigalpa, and covers approximately 400 hectares. The mine has been in production since 1983 and has well-developed infrastructure, which includes power and water supply, warehouses, maintenance facilities, assay laboratory, and on-site camp facilities.

Figure 1 shows the location of the San Andres Mine.

1.3 Mine Background

Subsequent to acquiring the mine from Yamana Gold in August 2009, Aura Minerals Inc. (Aura Minerals) completed an expansion project, consisting of a new primary crusher-conveyor system and a new stacking system. The new crusher-conveyor system has significantly reduced mine ore haulage distances and provides an opportunity to increase throughput. The new stacking system has increased the rate of ore stacked on the leach pad, thereby increasing throughput.

1.4 Description of Operation

The San Andres Mine is a heap leach operation with two stages of crushing. Mining at San Andres is currently carried out by an international contractor using conventional earth-moving equipment.

Current production is approximately 4.9 million tonnes (mT) of ore per annum with an additional 2.4 mT of waste moved annually.

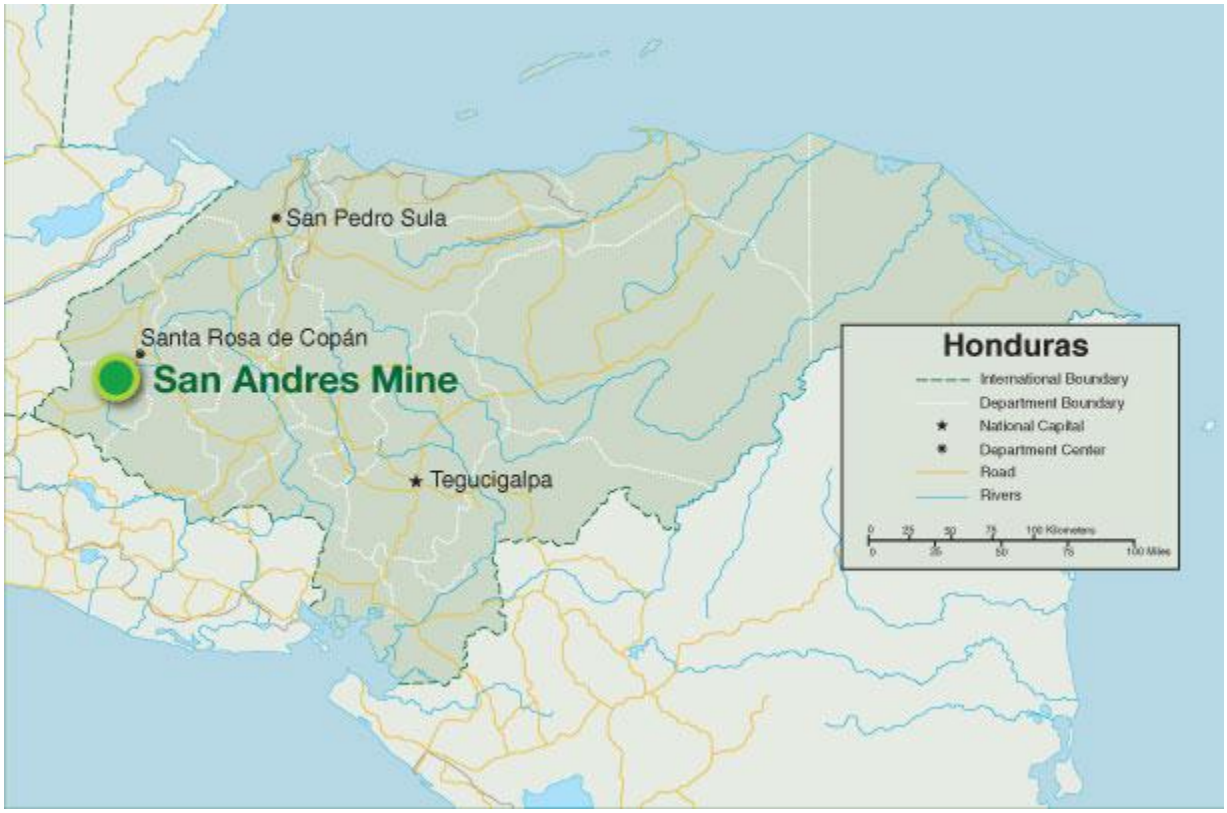
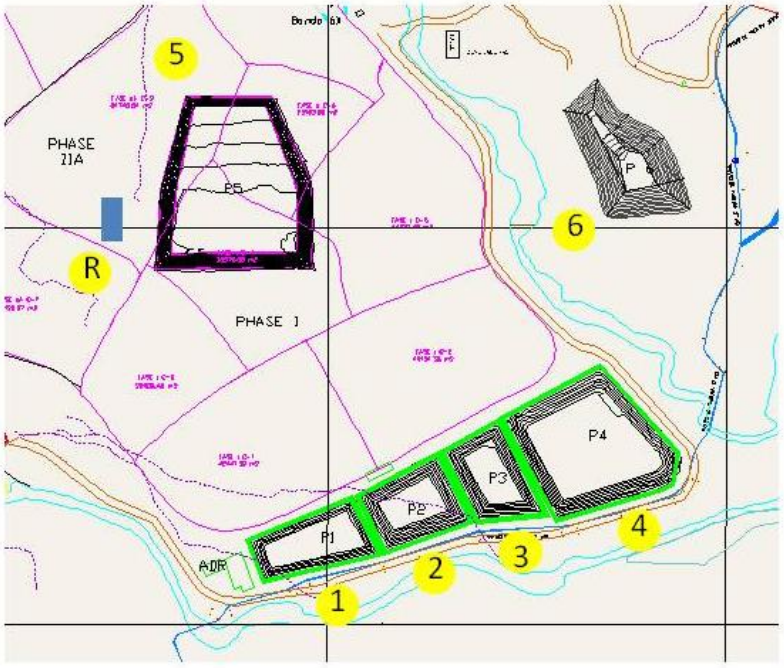


Figure 1: Location of the San Andres Mine

The crushing circuit consists of a primary jaw crusher and secondary cone crushers, which reduces the ore size to a nominal 80% passing three inches for leaching. The ore is friable so a significant amount of fines is produced during the crushing stage. These fines are agglomerated using a combination of cement and lime. The crushed and agglomerated product is transferred to a series of conveyors to distribute the material on to the leach pads in 6 metre lifts for leaching.

The leach areas use moveable sprayers on the ore piles to apply a solution of 400 parts per million sodium cyanide at a rate of 13 L/m^2/hr and a pH >10.3. The pregnant leach solution reports to Pond 1, adjacent to the carbon absorption-desorption-recovery facility (ADR Plant).

Figure 2 shows the location of the storage and water treatment ponds at San Andres.



IDENTIFICACON DE PILAS DE SOLUCION Y CIRCUITO DE AGUA INDUSTRIAL

Las pilas 1 y 2, son empleadas para el manejo de solución rica (cargada con oro que viene de las canchas de lixiviación) , y el manejo de solución pobre para reenvió a las canchas de lixiviación, respectivamente.

Las pilas 3 y 4 son usadas como depósitos de cambio o reserva temporal de agua con metales.

Las pilas 5 y 6, son usadas para tratamiento de agua y preparación de descarga.

Pila de Relevo: Transferencia de solución de cianuro a Lixiviación

P	Función
Pila 1	Pila de solución rica
Pila 2	Pila de solución pobre
Pila 3	Pila de agua industrial
Pila 4	Pila de agua industrial

P	Función
Pila 5	Pila para tratamiento de agua
Pila 6	Pila de almacenamiento agua tratada Para descarga
Pila R (Relevo)	Pila de Transferencia de solución cianurada

Figure 2: Location of the Storage and Water Treatment Ponds

A conventional ADR Plant is used to recover the gold from process solutions and produce a final gold doré product. The new primary crusher, conveyer and agglomerator facility and stacking system have been commissioned at the San Andres Mine. These capital projects have significantly reduced the ore haulage costs and improved efficiency of the system.

During the first quarter of 2012, further steps were taken to improve production at San Andres including replacing the primary crusher wobbler with a vibrating grizzly screen ahead of the jaw crusher to improve plant operating time, throughput and efficiency.

A simplified block diagram of the processing operations is shown in **Figure 3**.

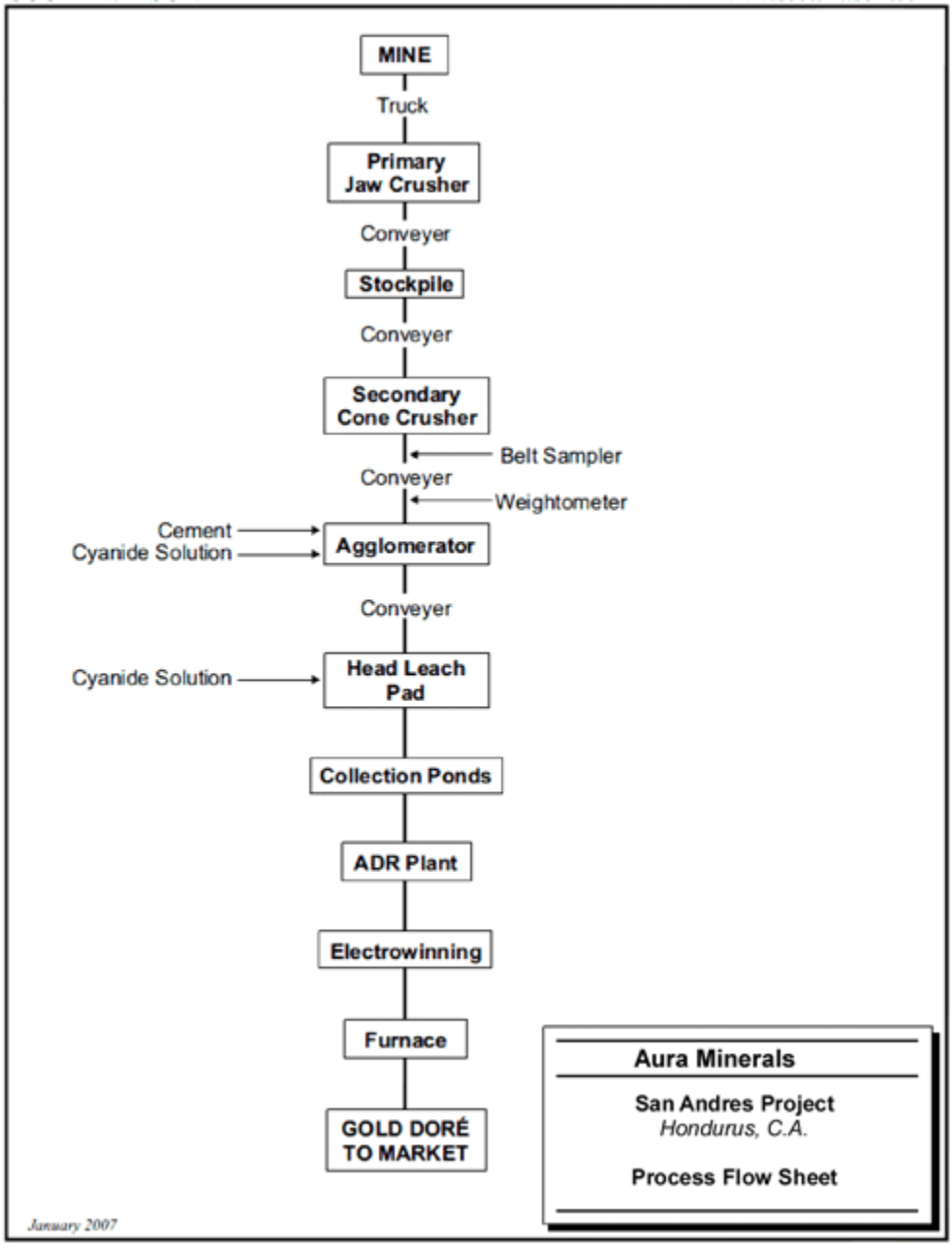


Figure 3: Overview of the Existing Processing Operations at San Andres

2.0 AUDIT SUMMARY

This section of the report summarizes AMEC's findings from the certification audit, the dates of the audit and the Lead Auditor's attestation.

2.1 Auditor's Findings

The San Andres Mine is:

☒ **in full compliance**

☐ in substantial compliance with the International Cyanide Management Code

☐ not in compliance

Audit Company:	AMEC Environment & Infrastructure, a division of AMEC Americas Limited
Audit Team Leader:	Andrew Gillam, MBA, PhD, PGeo, EP (CEA)
Email:	andy.gillam@amec.com

2.2 Names and Signatures of Other Auditors

None.

2.3 Dates of Certification Audit

The Certification Audit was completed from 15 to 19 April 2013 and 20 to 23 August 2013.

2.4 Attestation

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 I meet the applicable criteria established by the International Cyanide Management Institute for Code Verification Auditors.

I attest that this Summary Audit Report accurately describes the findings of the verification audit.

I further attest that the verification audit was conducted in a professional manner in accordance with the *International Cyanide Management Code Verification Protocol for Gold Mine Operations (October 2009)* and using standard and accepted practices for health, safety, and environmental audits.

San Andres Mine		12 May 2014
Name of Mine	Signature of Lead Auditor	Date

3.0 ICMC PRINCIPLES

3.1 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 San Andres Mine 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:

Cyanide purchased by San Andres originates at the E.I. DuPont de Nemours and Company's (DuPont's) cyanide production facility in Memphis, TN. This facility was re-certified to the International Cyanide Management Code (the Cyanide Code or the Code) in April 2013.

The cyanide produced at the Memphis plant is packaged by a local packager in Memphis (Lemm Services) and at DuPont's Carlin, NV packaging facility. The Memphis facility puts sodium cyanide into semi-bulk and small packages, and the Carlin facility puts sodium cyanide into bulk and semi-bulk packages. Material is shipped to Puerto Cortes, HN from US ports including New Orleans, LA and Miami, FL.

The contract for purchase of cyanide for San Andres originates with DuPont and has been in place for 10 years. The current contract with DuPont is dated 20 January 2012 and is valid for 3 years. Although the contract does not require that the cyanide supplied by DuPont is produced in a facility that is Code certified, the cyanide being used at the San Andres Mine is produced at the DuPont facility in Memphis, TN (Article 6 of Sell/Buy Contract between DuPont and Aura Minerals).

There is no independent cyanide distributor in Honduras. The cyanide used at San Andres is produced by DuPont at its Memphis production facility and transported to the mine site from the Puerto Cortes marine terminal in Honduras by Code-certified transporters included in DuPont's Honduras supply chain certification.

3.2 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.***

The San Andres Mine 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:

DuPont is responsible for the following, as per the current contract agreement:

- Packaging in accordance with the UN provisions for international shipments arid with the provisions of the jurisdictions the shipment passes through;
- Labeling in the languages necessary to identify the material in the jurisdictions the shipment passes through;
- Storage prior to shipment. Evaluation and selection of routes to reduce risks, including community involvement;
- Interim loading, storage and unloading during shipment;
- Transport to the relevant facility with transporter certified under the Cyanide Code;
- Task and safety training for transporters and carriers (handlers) throughout transport;
- Security (surveillance) throughout transport;
- Emergency response throughout transport.

Storage and security in Puerto Cortes is the responsibility of the port authority. Unloading at San Andres is the mine's responsibility. Safety and maintenance of the means of transportation throughout transport is the responsibility of the transportation companies included in the supply chain.

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

The San Andres Mine is:
- ☒ **in full compliance with**
- ☐ in substantial compliance with Standard of Practice 2.2
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

All identified transporters used by DuPont are certified in compliance with the Code.

The following certified supply chains and transporters are included in the transport of cyanide from DuPont's production facility in Memphis to the San Andres mine:

- DuPont US/Canada Rail and Barge Supply Chain: Union Pacific Railroad; 30 August 2010;
- DuPont Global Ocean Supply Chain; American President Lines: 18 August 2010;
- Brenntag Honduras Supply Chain; Brenntag Honduras (Inverquim); 5 June 2013.

3.3 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 San Andres Mine 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:

Facilities for unloading, storing and mixing cyanide have been designed and constructed in accordance with generally-accepted engineering practices for these facilities. The Principal Project Metallurgist of Aura Minerals completed a review of the unloading, mixing and storage facilities at San Andres in July 2013 and stated in the documented review report that the equipment inspected was fit to continue functioning as operated at that time.

Cyanide is unloaded from trucks in boxes in an open area next to the storage area and moved to the storage area by forklift. The unloading area for solid cyanide is located within the fenced

ADR Plant facility area and away from local communities and surface waters. It is immediately adjacent to the storage area for cyanide.

The storage area has sheet metal roofing and a concrete floor and walls. Lighting is installed and the building is open at one end to allow for ventilation. The storage facility is locked at all times, except when material is loaded into the facility or removed to the mixing area. National regulatory agencies have completed several visual inspections of the unloading and storage areas for cyanide and have not documented any deficiencies. The storage area is adjacent to Pond 1, a storage pond that receives discharges from the ADR Plant.

The new cyanide storage area was constructed in 2009 and has adequate ventilation and a sheet metal roof. Cyanide is stored in polypropylene bags (maxi totes) in wooden boxes, on wooden pallets to minimize potential contact with water. Pallets and boxes are entered into storage using a small hydraulic lifter and are stacked a maximum of three high. The cyanide storage area is not accessible by the public, and is locked and within the fenced boundary of the ADR Plant. No incompatible materials are stored with the cyanide.

Cyanide is mixed within competent secondary containment within the ADR Plant area. Aura Minerals has provide a letter of assurance signed by a qualified person that Aura Minerals inspected the ADR Plant in July 2013 and that the equipment inspected, including unloading, storage and mixing facilities, has been designed and constructed in accordance with generally-accepted engineering practices and is fit to continue functioning as currently operated.

The storage area is next to the ADR Plant, which includes three fixed cyanide detectors equipped with an audible alarm that triggers at 4.7 parts per million (ppm). There is an additional fixed cyanide detector located next to the entrance to the storage area. The unloading and storage areas and the ADR Plant are both within a fenced area within the mine site.

Solid cyanide (briquettes) only is received at the ADR Plant; no liquid cyanide is transported to the site. The cyanide mixing tank and the cyanide storage tank (poor solution) within the ADR Plant have a level indicator installed on each tank that includes an overflow line to the ADR Plant drainage system. The tanks are included in the preventive maintenance program for the ADR Plant and are inspected daily by maintenance staff, with inspection records maintained.

The cyanide mixing tanks and storage tanks within the ADR Plant are contained with a bermed concrete area that prevents seepage to the subsurface. The concentration of cyanide in the mixing tank is approximately 150,000 mg/L (parts per million (ppm) or 15%). The concentration used for the heap leach operation is approximately 400 ppm and the cyanide in the stripping circuit is approximately 8,000 to 10,000 ppm.

All secondary containments for the cyanide mixing and storage (day) tank have impermeable concrete berms to prevent leakage. Any cyanide spilled within the ADR Plant drains into a central trench system that reports to a concrete storage tank that drains by gravity to Pond 1.

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 San Andres Mine 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:

Empty cyanide containers are broken apart and rinsed with water prior to storage in a segregated area within the bone-yard area. Empty wooden boxes plastic bags are rinsed within the ADR Plant area and are also stored in the bone-yard. Rinsate is added back to the cyanidation process.

There is a documented operating procedure for rinsing of empty boxes and plastic bags, and operators responsible for mixing cyanide and rinsing the containers receive training on the procedure. A new concrete rinse bath for boxes was recently installed.

A portable incinerator was installed in Q4 2013 that will allow San Andres to burn two tonnes of waste per day. Given that the daily waste production at the operation is less than one tonne every two days, the incinerator will have sufficient capacity to burn all cyanide packing material waste. Daily cyanide solid waste production is burned the day after rinsing in the ADR Plant.

Cyanide pallets are moved to the storage area using a small hydraulic lifter. Cyanide boxes are stacked three high in the storage area.

Cyanide addition to the mixing tank is controlled automatically; there is no manual mixing of cyanide. An operating procedure has been prepared for handling the cyanide containers and moving them into and out of storage; for preparing the cyanide solution in the mixing tank; and for cleaning up any spills of cyanide briquettes.

The cyanide mixing operation at the ADR Plant was observed by AMEC in April and August 2013. The employee completing the mixing had appropriate personal protective equipment (PPE) for mixing cyanide. A second employee wearing appropriate PPE was in place observing the primary operator mixing the cyanide.

There was no evidence identified during the audit that spills of cyanide would not be cleaned-up in a timely manner. Cyanide-specific first aid and emergency response equipment is available within the ADR Plant Supervisor's office, including cyanide antidote (amyl nitrite) and medical oxygen.

3.4 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 San Andres Mine 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:

Cyanide facilities at Sana Andres, including the solid cyanide storage area; mixing and storage tanks in the ADR Plant; secondary containment areas; the agglomerator; the heap leach pads and associated storage ponds; carbon, washing, stripping and handling facilities; and pumps and piping connecting the cyanide facilities are included within the operational procedures developed for San Andres. The full list of operating procedures is included in the *Lista Maestra de Documentos Internos* (Master List of Internal Documents). Regular inspections of these facilities are completed by maintenance staff.

Written standard operating procedures have been developed, implemented and maintained for managing the unloading, storage and mixing facilities, operation of the ADR Plant, operation of the agglomerator, and operation of the heap leach operations and storage ponds.

Training is provided to those employees who are handling cyanide or who may be exposed to cyanide during processing operations. Signage for cyanide areas is adequate. AMEC inspected the current heap leach operations in April 2013 and August 2013 and found there was no overspraying or ponding on the surface of the heap leach pads. Cyanide warning signage for the heap leach operations was present. A cyanide detector is present at the agglomerator and warning signage is adequate.

Inspection schedules for the ADR Plant and the heap leach operations were found to be appropriate. Visual inspections of the ADR Plant are completed by the Maintenance Department during each shift and a written report is prepared.

Ponds 1-5 are inspected daily by operators from the ADR Plant and adjustments to pond storage volumes are made by the ADR Plant Supervisor. Pond 6 (discharge pond) is inspected on a daily basis during the rainy season and weekly during the dry season by the Technical Services group.

The booster pond (containing approximately 400 ppm total cyanide) is inspected daily by operators from the ADR Plant. Operators at the booster pond were aware of the environmental and worker health and safety hazards of solutions containing high concentrations of cyanide.

Additional capacity (Pond 6) has been constructed to provide additional on-site storage capacity for stormwater and process water. Sufficient pond capacity exists to accommodate excess water during the rainy season. Several of the ponds are kept dry during the dry season. Operating procedure *POP-01-09-2.5-021 Transferencia de soluciones de una pila a otra* describes the transfer of solutions between the storage ponds to maintain freeboard design levels in the storage ponds.

All deviations identified during inspections or monitoring are treated as incidents or accidents in agreement with the corporate standard *SCS 00-00-4.2-001 Incident Investigation and Reporting*. If a temporary closure or cessation of operation happens, the same procedure (*SCS 00-00-4.2-001*) will be applied and San Andres will deploy a group of people to attend any emergency involving cyanide.

There are seven ponds on site – Ponds 1-6 and the booster pond. ADR Plant operators complete daily inspections of Ponds 1-5 and the booster pond and heap leach operations. Observations, including any wildlife mortalities, are recorded in daily log books, including wildlife mortalities. Pond 6, the discharge pond, is inspected by the Technical Service group on a weekly basis during the dry season and daily during the wet season. The ponds are drained annually and inspected for integrity. The most recent annual inspections of the ponds were completed in March 2012. Weekly groundwater monitoring samples are analyzed for cyanide and would identify any leakage from the ponds.

A preventive maintenance (PM) system is in place, including a PM plan, for the San Andres Mine, broken out into operating areas. The PM Compliance Report was current in August 2013. Any corrective maintenance requests are prepared by local supervisors and entered into the PM schedule by the Maintenance Planning group. These are assigned a work order number and resources allocated for completion by the Maintenance Department. A weekly plan for each operating area is prepared by the Maintenance Planning group with the Area Supervisor – broken down into ADR Plant, Electrical, Mobile and Stationary equipment. A PM schedule is also in place. Maintenance records for individual pieces of equipment have to be generated manually from the PM spreadsheets.

A change management procedure (*Gerenciamiento de cambios*) is available electronically. The change management procedure includes a requirement for the environmental and safety departments to sign-off on the proposed operational change prior to it being implemented.

Maintenance staff complete daily inspections of cyanide containing equipment in the ADR Plant and record their observations in a daily log book. ADR Plant operators complete daily inspections of the cyanide storage area and record their observations in a daily log book. This inspection frequency is sufficient to ensure that cyanide facilities and storage ponds are functioning within design parameters.

Route inspections are completed by the Maintenance Department and include tanks in the ADR Plant, including secondary containments areas for signs of any spills, cracking and loss of competency. Tanks and pumps in the ADR Plant and pumps and pipelines associated with the storage ponds are inspected daily for evidence of corrosion and leakage. Freeboard in the storage ponds is inspected daily to ensure appropriate capacity is available.

Environmental Department staff complete inspections of the interstitial leak detection systems for the heap leach and storage pond liners once per week. Environmental Department staff also complete weekly monitoring of the groundwater monitoring wells to detect any leakage from the leach pads and ponds.

Pipelines, pumps and valves at the ADR Plant and at the storage ponds are inspected regularly and observations are recorded in log books. No widespread accumulations of cyanide salts on pumps and valves were observed during inspection of cyanide facilities in April 2013 and August 2013.

Inspections of cyanide facilities are recorded on maintenance inspection forms or in log books and include the date of the inspection and any observed deficiencies as well as the name of the inspector. Inspection forms and log books reviewed during the certification audit indicated that positive observations were recorded, as well as any deficiencies noted. Records of these inspections are maintained at the San Andres Mine. Training is provided to operators on completion of inspections of cyanide facilities. Corrective actions taken are also recorded on the inspection forms. Preventive maintenance records are maintained.

San Andres currently has five generators on site each supplying 1.75 MW. Power need is for only three generators when all systems are on line, reducing to two and one when certain equipment is not on line. San Andres ensures that every generator is maintained in operating status and tested by rotating the operation every other day. This means that one generator is kept in maintenance mode for a week with the other four supplying. Although there is no dedicated backup generator designated, San Andres has the ability to oversupply by almost 70%, which is considered sufficient backup capacity.

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

The San Andres Mine is:

- ☒ **in full compliance with**
- ☐ in substantial compliance with Standard of Practice 4.2
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

There is no mill facility at the San Andres Mine. This Standard of Practice does not apply to this facility.

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

The San Andres Mine 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:

The water balance for San Andres is comprehensive; it includes 2 yr/24 hr, 10yr/24hr and 100yr/24 hr storm events. The 1997 design basis was for an extreme rain event of 310 mm. The water balance includes solutions application rates to the heap leach pads; precipitation and evaporation rates from the meteorological station on site, and the national network meteorological station at Santa Rosa; surface run-off; and the capacity of the ADR Plant, water treatment plant and the storage ponds. There is no tailings storage facility at San Andres. The water balance takes into account the uncertainty and variability of predicted precipitation events, including seasonal variations (rainy and dry seasons) and the extreme storm events.

The water balance was updated in late 2011 to take into account the inclusion of the new Phase V of the operation, starting in January 2014. The updated weekly water balance includes all operation weeks from June 2011 to December 2020 and uses the normal precipitation values as the basis of the study. A sensitivity analysis was subsequently conducted with the addition of four climatic scenarios, including the 2-yr, 10-yr, 100-yr and the design extreme storm events, where each scenario was applied 458 times (the number of weeks between June 2011 and December 2020). This includes the probability analyses for floods (untreated water reporting to the environment) and premature clean water discharges.

Operating ponds, including the booster pond, are inspected by ADR Plant staff daily to maintain the water balance for the site. The freeboard volumes are monitored and recorded in the operator's log book.

The design storage capacity for the ponds is 80% of total volume for Ponds 1-4 (operating and event ponds) and 85% for Ponds 5 and 6 (clean water ponds). These are the volumes used for water storage capacity in the ponds for the water balance model. Freeboard markings are present on the ponds and are recorded during daily inspections.

There are two meteorological stations used for the water balance – one on the mine site and another in the village of Santa Rosa (for comparison). Meteorological data are collected by the

Environment Department. Precipitation since the water balance model was prepared in 2010 has been less than projected.

Review of the updated water balance model indicates that the water system is set up with sufficient operational options and contingency plans to manage a zero release of untreated water into the environment until the end of Phase V production. With a total water treatment plant capacity of 908 m^3/h (4,000 gallons per minute) and a utilization rate of 90% during wet seasons, the water system is equipped to mitigate any excess water. Contingency plans are in place to ensure complete containment of untreated water in case of an unplanned water treatment plant shutdown.

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

The San Andres Mine 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 only pond where total cyanide concentration exceeds 50 mg/l weak acid dissociable (WAD) cyanide is the booster pond, with an approximate concentration of 400 mg/l WAD cyanide. Suitable fencing, signage and wildlife (bird) protection netting has been installed at this location.

There is limited wildlife at the San Andres Mine, with the exception of several bird species. Records of bird mortalities maintained by San Andres were reviewed and no bird mortalities have been recorded at the booster pond in the past two years. Observations are made regularly of both live and dead animals and these are recorded by the environmental department. No dead birds, other wildlife or livestock have been found in any of the ponds since January 2009, indicating that San Andres has been effective in preventing significant wildlife mortalities. The San Andres Mine is on the migration path for ducks (*Cairina muscata* and *Dendrocygna bicolor*).

No significant ponding or overspray was observed during inspections of the heap leach operations in April 2013 or in August 2013. The heap leach operations are inspected on a daily basis by ADR operators.

There is no tailings storage facility at the San Andres Mine.

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 San Andres Mine 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 a direct discharge to surface water from Pond 6. Concentrations in the discharge are less than 0.5 mg/L WAD cyanide. Samples are collected of the discharge pond by the government regulatory agency and sent for analysis. If levels of contaminants are below acceptable limits, the regulatory agency issues an approval to San Andres to discharge the pond.

AMEC reviewed the Analytical Services Laboratory, Vancouver (ASL) laboratory data for measurements of free cyanide during the last discharge event in October 2012 and also for monitoring points in the river system, both upstream and downstream of the discharge point, and none were greater than 0.022 mg/l (22 ppb). The data included appropriate quality assurance/quality control (QA/QC) data to support the accuracy of the test results.

No indirect discharges to surface water were observed during the two site visits completed by AMEC. A series of monitoring wells has been installed down gradient of the heap leach operations and storage ponds. AMEC reviewed the groundwater monitoring data for the past 12 months and did not identify any discharges of more than 0.5 ppm weak-acid dissociable (WAD) cyanide. There have been no discharges to groundwater (from seepage from heap leach operation or storage ponds) detected in the monitoring well system used to monitor the heap leach operations and the storage ponds during the past ten years.

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

The San Andres Mine 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:

No exceedances have been identified in groundwater samples collected from the groundwater monitoring wells down gradient of the heap leach operation and the storage ponds. The heap leach operation and each storage pond has a collection system that collects any drainage from between the pond liners and returns it every week to the storage pond.

Groundwater is not used for beneficial uses (drinking or agricultural uses) down gradient of the San Andres operation. Drinking water for local communities is provided by means of bottled water. Water for agricultural and livestock purposes is provided from surface water sources located in mountainous areas in the region surrounding the San Andres Mine.

No exceedances of the 0.5 mg/L WAD cyanide limit were identified in the groundwater data from the previous year during the gap analysis or certification audit. No exceedances of the 22 ppb free cyanide limit have been identified in the past year in the surface water samples collected during discharge events.

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

The San Andres Mine 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:

Solid cyanide is unloaded on an open area adjacent to the storage area that is within a larger fenced area surrounding the ADR Plant; there is no liquid cyanide delivered to the San Andres Mine. All cyanide is in solid form and is moved by forklift from the unloading area to the storage warehouse. Solid cyanide is stored in wooden boxes, on pallets.

The ADR Plant is located entirely within competent secondary containment. Cyanide is mixed automatically in the cyanide mixing tank and sent to a holding (poor solution) tank. These tanks are both within the overall secondary containment for the ADR Plant. Other process tanks containing cyanide solutions are also located within the secondary containment. The containment drains to a central location and the drainage reports to Pond 1. There is a roof over the ADR Plant to prevent precipitation from entering the secondary containment.

Secondary containment within the ADR Plant is sufficient to hold the volume of the largest tank in the containment. There is an overflow pipe system that drains the ADR Plant into Pond 1. Any cyanide solutions from leakage or spills from process tanks within the ADR Plant is captured in the floor drain system and drained to Pond 1. No water collected in the secondary containment in the ADR Plant is discharged directly to the environment.

Spill prevention and containment measures are effective for process solution pipelines. Cyanide process solution pipelines are located within the boundary of the leach pad liner and are located in trenches protected by a geosynthetic liner. Cyanide process solution pipelines are inspected daily by ADR Plant operators and observations are recorded in daily logs. No cyanide pipelines were identified that might present a risk to surface water, and no special measures are considered necessary.

All cyanide tanks and pipelines observed were constructed of materials compatible with cyanide and high pH solutions, for example steel tanks and high density polyethylene (HDPE) pipelines.

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 San Andres Mine 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:

Quality assurance/quality control (QA/QC) programs for the original construction of the cyanide storage and process tanks and the installation of synthetic liners for heap leach pads and storage ponds were not retained during the transfer of ownership of the San Andres Mine. QA/QC programs have been implemented for Phase 5 (heap leach) construction and QA/QC data were found to be acceptable.

No modifications have been made to the ADR Plant or process solutions ponds in the twelve months preceding the audit in August 2013.

Leak detection systems are monitored and drained once per week, in accordance with *POP-01-013.5-001 Monitoreo de Aguas Superficiales, Subterráneas y Efluentes Líquidos*. The leak detection and recovery systems installed for the leach pads and the leach solution ponds are functioning effectively in retaining the hydraulic pressure on the primary liners. There are no beneficial uses of groundwater down gradient of the San Andres operation.

There is no unloading or temporary storage and mixing of liquid cyanide outside of the secondary containment for the ADR Plant.

An appropriately qualified person has inspected the unloading, mixing and storage facilities at the ADR Plant and provided a letter of assurance advising that the facility can continue to operate as it is currently configured.

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

The San Andres Mine is:
- ☒ **in full compliance with**
- ☐ in substantial compliance with Standard of Practice 4.9
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Documented monitoring procedures for the effect of cyanide use at San Andres on wildlife and surface and groundwater quality are in place. Environmental sampling and analytical protocols for environmental samples are provided by an independent, third-party testing laboratory. Sampling and analytical protocols are based on nationally- or internationally-accepted standard methods.

Competent individuals from Aura Minerals have developed, reviewed and approved the environmental monitoring procedures. Their names are included in the operating procedures. The environmental monitoring procedures prepared by Aura Minerals and the environmental sampling and analytical protocols prepared by the testing laboratory include appropriate information on: where and how samples should be taken, sample preservation techniques, chain-of-custody procedures, shipping instructions, and cyanide species to be tested.

No wildlife mortalities have been recorded at San Andres in the past two years. Sampling conditions such as temperature, weather conditions, wildlife activity or other abnormal conditions that may affect the analysis are recorded on field report forms, in sampling log books, or on monitoring checklists. San Andres monitors for WAD cyanide in the discharges from Pond 6 to the river and for free cyanide at locations both upstream and downstream of the discharge points. No exceedances of regulatory limits or Code limits for free cyanide (22 ppb) have been found in the past two years.

Groundwater wells downgradient of the heap leach and the storage ponds are also monitored. No evidence has been found that cyanide is entering the groundwater downgradient of the San Andres operation. There are no beneficial uses of groundwater downgradient of San Andres.

Inspections for wildlife mortalities are completed daily for Ponds 1-4 by employees from the ADR Plant; the booster pond is inspected for wildlife mortalities daily by local employees from the heap leach group; Ponds 5 and 6 are inspected regularly by the technical services group for wildlife mortalities when they are in use. Any wildlife mortalities would be included in these inspections and recorded in log books maintained by the operators/technical services group.

3.5 Decomissioning

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 San Andres Mine 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:

San Andres has prepared a Closure Plan for decommissioning the mine site and cyanide facilities. The Closure Plan was submitted for review by the applicable government agencies in Q4 2013. It is scheduled to be reviewed annually by Aura Minerals and the government. San Andres will be completing a review and revision of the Closure Plan every year, taking into account concurrent reclamation of certain areas of the mine and other factors, including social and economic agreements reached with local stakeholders.

The Closure Plan includes decommissioning procedures and a cost estimate for closure. Once the life of mine plan is updated, San Andres plans to update the Closure Plan, including the closure cost estimate. Appendix 3 of the Closure Plan includes the decommissioning schedule and shows the order in which the planned decommissioning activities will be completed, including closure of the ADR Plant, solution pipelines, heap leach pads, and solution ponds.

The Closure Plan includes descriptions for decontamination of cyanide-containing equipment, removal of residual cyanide reagents, and installation of any measures necessary for surface and ground water management post-closure. A separate plan for the heap leach operation includes rinsing of the leach pads during decommissioning of San Andres, in accordance with the initial results of laboratory testing of rinsate.

There is also a Remediation/Rehabilitation Plan for Degraded Areas. Rehabilitation of the Phase 2A area is currently in progress; the area has been hydroseeded.

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

The San Andres Mine 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:

Closure costs for San Andres, including costs for site reclamation, heap rinsing, mining and processing operations and associated infrastructure, have been estimated by Aura to be approximately US$10 million. This contractor's estimate represents the third-party costs for implementation of the decommissioning of the San Andres operation.

Aura Minerals Inc. is a publicly-traded company which has to comply with financial disclosure requirements as set by recognized accounting standards; in the case of Aura these are IFRS (International Financial Reporting Standards). More specifically, this includes International Accounting Standard 37, which applies to Provisions, Contingent Liabilities and Contingent Assets, or as known in the mining industry, closure costs. This standard addresses the reporting of legal obligations associated with the retirement of long-lived tangible capital assets currently in production.

The closure costs for San Andres, as concluded upon and forecast on 31 March 2014, have been included within Aura Minerals' financial statements, as reviewed by the independent accounting firm, PricewaterhouseCoopers LLP (Toronto, Canada). These financial statements will be published in May 2014 and will be made available at www.sedar.com or on Aura Minerals' web-site, www.auraminerals.com.

Within Aura Minerals' financial statements the provision for mine closure and restoration are listed under the Consolidated Statements of Financial Position, in the "Liabilities-Current" and "Liabilities-Debt". This amount is for all Aura Minerals' mining sites combined and it is expressed as a net present value. This complies with the Cyanide Code in that the closure costs evaluated are equal to or greater than San Andres' estimate for third-party implementation of its decommissioning plan (including rinsing of the heap leach pad).

In Honduras, the environmental permitting process requires that San Andres present closure costs for each project. The Government of Honduras then uses this amount to calculate the amount of a financial guaranty. This guaranty is not intended to cover all closure expenses, but rather it is to promote the effective closure by the mine owner. As of March 2014, MINOSA (Aura's corporate entity in Honduras) has put forward guaranties in the amount of approximately US$1 million.

The bank guarantee is required by the Secretaria de Recursos de Naturales y Ambiente (SERNA) as part of the Terms of Reference for approval of the environmental impact statement for the mine. A bank guarantee from a lending institution ensures that the liabilities of a debtor, in this case potentially Aura Minerals, will be met. In other words, if Aura Minerals fails to settle a debt, the bank will cover it. The bank guarantee is issued by Banco Atlantida based on a payment made by Aura Minerals, in accordance with requirements for this type of financial instrument in Honduras.

San Andres will be completing a review and revision of the Closure Plan every year, taking into account concurrent reclamation of certain areas of the mine and other factors, including social and economic agreements reached with local stakeholders. The decommissioning cost estimates will be updated at that time.

3.6 Worker Safety

Protect workers' health and safety from exposure to cyanide

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

The San Andres Mine 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:

Documented procedures have been prepared for unloading and storage of solid NaCN; mixing of cyanide solutions; operation of the ADR Plant; operation of the leach pads and ponds; entry into confined spaces; and equipment decontamination.

Risk assessments were completed for the ADR Plant and other areas of operation by an external consultant. Personal protective equipment (PPE) requirements are included in the operating procedures. The safety department is included in the risk assessments, depending on which part of the operation is being evaluated. When employees move from one area to another new training is provided. Safety equipment has been installed and improved over the past three years. Input from workers is obtained during Daily Safety Meetings (DDS in Spanish), records of which are signed by employees. Refresher training by means of DDS information reviews is also provided to operators in the ADR Plant and heap leach area, among others.

TAST is the current job hazard analysis tool that has replaced the previous PEACE tool. It is completed by workers before work tasks are completed. TAST includes requirements for relevant PPE and for pre-work inspections and hazard assessments. PEACE also included pre-work inspections. A written procedure for implementing TAST is available to all employees. A work permit is not issued by the superintendent in the work area until the pre-work inspection is documented. TAST forms are retained at the end of each day and are maintained in different areas of the operation.

Changes to the operations are reviewed and signed off by safety and environmental departments prior to completion of proposed changes in cyanide facilities. A new risk analysis would be completed following the change; training would be provided; and the employee's supervisor would check on the completion of training. Procedures are reviewed with input from

workers and supervisors that use the procedures. A revision history is included with each procedure to show what changes were made and when the procedure was modified.

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 San Andres Mine 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:

Operating procedures include pH limits to maintain cyanide in solution. There are a total of three stationary cyanide detectors in the ADR Plant. Half mask cartridge respirators are used for loading cyanide and at heap leach operations. Cyanide detectors are checked regularly by the safety department and inspection records are maintained. Fixed detectors are calibrated by the manufacturer and are replaced when their expiry is indicated.

There are additional stationary cyanide detectors at the stacker area, by the agglomerator, by Conveyor 8, by Pond 1/cyanide storage area, and near the booster pond. All stationary detectors were active at the time of the audits in April 2013 and August 2013.

Personal monitors have been used for random checks on cyanide exposure. There are a total of eight portable cyanide detectors. These are also used until the end of their expiry period (approximately two years) and then the sensors are replaced. Personal monitoring for cyanide exposure has been completed. The highest reading recorded was 3.7 ppm in 2010. High risk areas have been identified. PPE requirements are identified in the relevant operating procedures.

Cyanide monitoring equipment is inspected regularly by the safety department. Monitors are used until their usable life is expired and then replaced. Calibration records to test the levels at which the alarms sound are maintained for the life of detector (approximately two years).

Signage and fencing has been improved in the past three years. No recent issues with signage at San Andres have been identified by the safety department. The emergency response team would be called to deal with a fire in the cyanide storage area.

Fencing has been added around the booster pond and warning signs have been placed advising of the presence of cyanide and prohibitions against smoking, eating and drinking. Operators interviewed at the booster pond in August 2013 confirmed they were aware of the health and environmental hazards of cyanide-containing solutions.

Signage in the ADR Plant is adequate. Directional signage for piping containing cyanide is present. Inspections of all fire extinguishers (dry powder type) in the ADR Plant are current.

Both of the emergency showers and the low-pressure eye-wash stations are working in the ADR Plant. Eye wash bottles are used in the administrative area of the ADR Plant. Inspections of the fire extinguishers, showers and eye wash stations are completed weekly by the safety department.

AMEC completed additional visual inspections of signage at the heap leach operations and at the storage ponds, including the booster pond, and found that signage was adequate. Induction training for employees includes information on typical warning signage used at San Andres for cyanide.

Unloading, storage and mixing areas for cyanide are all clearly identified. The two main cyanide storage tanks are clearly marked *rico*/rich and *pobre*/poor. Flow direction of cyanide-containing piping in the ADR Plant and with process solution pipelines containing cyanide is well marked. Additional painting of piping and tanks was completed in the ADR Plant by the end of 2013.

Material safety data sheets (MSDSs) are maintained in the lab area within the ADR Plant and at the heap leach operations. MSDSs are received and scanned into a database for use on site by all employees.

Operators are trained in first aid procedures within a few months of starting work. Informational materials on cyanide hazards and safety are in Spanish. First aid kits include information on cyanide hazards and how to manage them. First aid information is also included in the operating procedures, where needed.

There was one high reading (approximately 8 ppm) at the stationary cyanide detector at the agglomerator for approximately 12 minutes within the past two years (July 2012), although no worker exposure was identified. An incident report was prepared.

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

The San Andres Mine 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:

There are seven cyanide antidote kits on site (ADR Plant, agglomerator, metallurgy, heap leach, stacker, booster pond and the comedor by Conveyor 8) that contain oxygen and amyl nitrite. Five additional cyanide antidote kits for intravenous injection are located in the medical clinic. Emergency notification of a cyanide exposure would be via cellular phone and by telephones located within the ADR Plant.

The antidote kits are inspected regularly by the safety department and records of inspections are maintained. Inspection of amyl nitrite ampoules in the ADR Plant and heap leach operation indicated they had not expired.

Ampoules are stored in refrigeration units, as required by the manufacturer. One exception is the storage of the ampoules in the stacker cabs, which are equipped with air conditioning units, and where the ambient temperature may reach 17 C.

The emergency response plan for San Andres has sections on cyanide exposures from hydrogen cyanide gas, ingestion of solid sodium cyanide and cyanide solutions, and skin exposure and how to manage these. San Andres is able to complete treatment of exposure to cyanide either in the field using cyanide antidote kits or in the medical clinic in San Andres which is staffed 24 hrs/day by a medical doctor. Treatment is provided on-site by company medical staff in the medical clinic.

Large scale exposure may require involvement of a clinic in Santa Rosa, whose staff have received training on cyanide exposure and treatment from DuPont, although San Andres would manage any cyanide exposures without involving other local clinics. DuPont has provided training to physicians in Santa Rosa and San Pedro Sula on treatment for cyanide exposure, if required.

Period mock emergency drills for cyanide exposures are completed in accordance with an established schedule. One test drill was completed at the heap leach in August 2009. Both the safety department and environmental department have records of the drill.

DuPont also completed a test drill in March 2010 of a truck accident on the road from the port to the mine site. An additional drill was completed in the stacker areas in April 2013. AMEC reviewed the planning document for a recent drill completed in July 2013 and found it adequate. The drill simulated the release of HCN gas and inhalation by a worker.

3.7 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 San Andres Mine 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 emergency response plan (ERP) for San Andres is available and is current; emergency scenarios appropriate for the San Andres Mine are included in the plan. AMEC reviewed the ERP and considers that emergency scenarios appropriate for the San Andres mine are included in Section 12 of the ERP. The scenarios include the following:

- Hydrocyanic gas generation
- Cyanide warehouse fire
- Cyanide spill of solid or liquid over wet soil
- Solution pond at maximum capacity (overfilled ponds procedure)
- Cyanide transportation
    a. Procedure to follow in emergency situation
    b. Cyanide transport truck overturns with or without spill
    c. Cyanide transport truck on fire
    d. Cyanide transport truck collision
    e. Cyanide transport truck assault and robbery

Transportation of cyanide to the site by truck is included in the plan, and takes into account the condition of the road from Puerto Cortes. Brenntag would have primary responsibility for a spill of solid cyanide on the way to the mine for Puerto Cortes by road, but would draw on resources from San Andres for support if the spill occurred close to the mine site.

Site specific response actions for site personnel and potentially-affected communities, first aid and cyanide kits, control of releases and assessment, mitigation and future prevention are included in the plan. All releases from the ADR Plant would be contained within secondary containment and spills from pipelines and storage ponds containing process solution would be within the geosynthetic liner system.

There are three emergency types considered in San Andres' Emergency Plan:

- **Type 1 Emergency:** attend on site using each area's local resources; does not require Emergency Team interaction.
- **Type 2 Emergency:** suspend all activities in process in affected area; does not require Emergency Team intervention; is attended with other area's resources.
- **Type 3 Emergency:** suspend all activities in the area; Emergency Team intervention is also required, immediate, massive and total.

There are no communities immediately downstream from the San Andres Mine.

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

The San Andres Mine 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:

San Andres seeks input from operators and supervisors for emergency planning purposes, including the trained members of the emergency response team. San Andres has also included local communities in emergency response planning and development of the emergency response plan. Communication sessions have been held in San Andres, La Union and Santa Rosa to discuss operations and use of cyanide at the San Andres Mine and actions that would be taken if there was a release into the local community. The most recent community meeting was held in the San Andres community school in July 2013. Communications channels are in place to advise the local community leaders. Many of the local community members either work or have close family members who work at San Andres.

The local community is not expected to provide support during an emergency response involving cyanide. San Andres has advised the local community of their planned responses in the event of an emergency incident involving a release of cyanide. Meetings with the local community are held to discuss emergency responses that would be taken by San Andres and that the local community is not expected to provide support during an emergency response.

There are no outside responders or medical facilities immediately adjacent to the operation that could provide support in the event of a cyanide emergency. Medical staff in Santa Rosa have received briefings on dealing with cyanide poisoning.

Copies of the plan are provided to local communities for information purposes, as well as information on cyanide hazards during meetings with the local community.

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

The San Andres Mine 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 emergency response plan includes appropriate information for all the cyanide elements required by the Code, with the exception of outside responders, medical facilities and communities, as San Andres does not intend to rely on outside support for addressing a release of cyanide off the mine site and into the local community. A cross-reference table for Code requirements and the location of the information in the ERP is provided in **Table 1**.

Table 1: Cross-references for Code requirements and Sections of ERP

Cyanide Code Requirement	Location in Emergency Response Plan
Designate primary and alternate emergency response coordinators who have explicit authority to commit the resources necessary to implement the Plan.	4. *Componente Administrativo de Plan de Emergencia*, p. 13
Identify Emergency Response Teams.	4.2.2 *Grupos de Apoyo/4.2.2.1 Grupo de Atención – Coordinadores de evacuacion*, p. 13
Require appropriate training for emergency responders.	8. *Evaluacion y mantenimento del Plan De Emergencias*, p. 25
Include call-out procedures and 24-hour contact information for the coordinators and response team members.	5.5 *Comunicacion Interna*, p. 18
Specify the duties and responsibilities of the coordinators and team members.	10.1 *Respuesta a Emergencia, Diagrama* (describes responsibilities by each type of emergency). See also Section 4 *Comité de Prevencion y atencion de Emergencias* diagram
List emergency response equipment, including personal protection gear, available along transportation routes and/or on-site.	See page 31 where each emergency scenario has a list of required equipment and each area is equipped with tools for emergency response.
Include procedures to inspect emergency response equipment to ensure its availability.	8.2 *Auditoria, control y sequimento*
Describe the role of outside responders, medical facilities and communities in the emergency response procedures.	Private medical facilities operated by San Andres are responsible for treatment in case of any emergency case, and communities are responsible to inform their members about any emergency.

No outside entities are included in the plan, with the exception of medical facilities in Santa Rosa, approximately a 1-hr drive away, which would only be involved if there was a major incident involving a release of cyanide. Contact information for fire, police and ambulance is included in the plan.

AMEC reviewed the ERP to confirm that it includes appropriate information for all these elements, with the exception of outside responders, medical facilities and communities, as San Andres does not intend to rely on outside support for addressing a release of cyanide off the mine site and into the local community.

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

The San Andres Mine 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:

A documented procedure is in place for contacting regulatory agencies in the event of a cyanide release. Contact information for fire, police and ambulance is included in the emergency response plan. Many members of the local community are employees of San Andres and they would also advise members of the local community of any cyanide releases.

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 San Andres Mine 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 emergency response plan includes remediation measures for both solid and liquid cyanide releases, including materials to be used for cleanup and for disposal of contaminated spill clean-up materials. The drinking water supply for local communities around the San Andres Mine is from bottled water. No alternative drinking water supply would be required in the case of a cyanide spill.

San Andres maintains calcium hypochlorite ($Ca(OCl)_2$) on site within the ADR Plant for decontamination of residual cyanide on packing materials. The plan includes wording that this material is not to be used to treat a release of cyanide into surface water. $FeSO_4$ and H_2O_2 are not used at San Andres.

Information on environmental monitoring following a cyanide release to surface soils and water includes sampling and analytical methodologies to be followed; possible sampling locations are also described.

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

The San Andres Mine 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:

Reviews and updates of the emergency response plan are completed annually. Drills to test the plan are completed annually; the most recent drill involving a cyanide release was completed in April 2013. Post mortem reviews are completed to identify lessons learned. The plan is updated annually.

The last cyanide release away from the mine property was in April 2009 when a rock fall damaged a pipeline containing process solution and cyanide solution entered the Lara River. There have been no cyanide-related emergencies in the past two years.

3.8 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 San Andres Mine 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:

There is a matrix of training themes for training provided by the safety department. Training materials are available for induction training for all employees (two days) that includes a section on the hazards of cyanide. Refresher training is provided annually on cyanide hazards.

The introduction to cyanide hazards course includes the nature of cyanides used during the processing operations, health effects of cyanide, symptoms of human cyanide exposure and procedures to follow if a worker is exposed to sodium cyanide or hydrogen cyanide. Interviews with employees working near the booster pond, at the heap leach operations and in the ADR Plant identified that the employees interviewed had received the induction training.

DDS toolbox talks are also provided daily to workers that would include cyanide management and health effects of cyanide; these are provided by supervisors. Sign-in sheets are used to record attendance.

The last cyanide-specific training on site was provided by DuPont in July 2012. Training records for each employee at San Andres are maintained at the mine site. Refresher training on cyanide management is provided periodically by means of the DDS toolbox talks held by supervisors and workers prior to each shift. The same training materials used for the initial induction training are used for the DDS toolbox talks. Interviews with employees working near the booster pond, at the heap leach operations and in the ADR Plant identified that the employees interviewed had received refresher training by means of the toolbox talks and were aware of cyanide hazards.

Evaluation of the cyanide training received is by means of the *Acercamiento Semanal* (Weekly Approach) by a supervisor observing a worker to ensure they are following appropriate work procedures and using suitable PPE for working with cyanide. Attendance sheets for the DDS toolbox talks are maintained by the area supervisors as records of refresher training.

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 San Andres Mine 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:

Supervisors provide training on cyanide hazards, work procedures and PPE in classroom sessions and in the field using the operating procedure documents. Supervisors are trained to provide this training to workers. San Andres also brings in outside specialists for training, including DuPont for cyanide handling. Interviews with supervisors and workers in the ADR Plant and heap leach operations confirmed that this training was effective. The operating procedures include details of each element of the work task involving cyanide that workers must be aware of to effectively manage cyanide.

Trainers for cyanide management related tasks at San Andres are trained by DuPont; records are maintained by the safety department. Training is then provided on cyanide management to employees by supervisory staff. All employees receive induction training, including cyanide hazards, prior to working with cyanide, for example, at the ADR Plant and heap leach operations. Records of the induction training are maintained by the human resources department.

Refresher training to employees is provided daily by means of the DDS tool box presentations by supervisors. Attendance sheets for the DDS toolbox talks are maintained by the area supervisors

as records of refresher training. Refresher training is provided annually to workers in their specific area of the operations and records are maintained. Refresher training includes information on cyanide handling and hazards.

Observations by supervisor are used to evaluate competency of workers. Evaluation of the cyanide training received is by means of the *Acercamiento Semanal* (Weekly Approach) by a supervisor observing a worker to ensure they are following appropriate work procedures and using suitable PPE for working with cyanide.

Records of training given to employees are maintained in a training matrix for each of the training courses provided and copies are maintained of attendance at training sessions (sign-in sheets). Both the training matrix and the attendance sheets are maintained by the human resources department. The attendance sheets indicate the names of the employees and the trainer, the date of training and the title of the course. The content of the course is described in the course materials which are also maintained by the human resources department.

Hard copies are maintained of attendance sheets for training sessions. Trainers ask questions during delivery of training sessions and ask for verbal feedback (illiteracy is common among workers) to evaluate understanding during the course. Evaluation of the cyanide training received is by means of the *Acercamiento Semanal* (Weekly Approach) by a supervisor observing a worker to ensure they are following appropriate work procedures and using suitable PPE for working with cyanide.

Training provided includes an initial 2-day induction training course that includes an overview of cyanide hazards. Task-specific training is also provided, depending on the area of the facility where the employee will be located.

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

The San Andres Mine 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:

Operators are trained in emergency response in the ADR Plant and heap leach operations to contain the spill and then call the emergency response team on site to provide support, as needed. Interviews with employees at the ADR Plant and heap leach operations indicated they were aware of their responsibilities if there is a cyanide release.

The emergency response plan and procedures and the training records for the emergency response team members were found to be effective. AMEC interviewed members of the

emergency response team and found them to be knowledgeable on the hazards of cyanide and how to manage a cyanide release.

Workers in the ADR Plant and heap leach operations receive decontamination and first aid training after orientation but before starting work in the ADR Plant or heap leach, as do other operators that may come in contact with cyanide. Operators and emergency response team members are included in drills for cyanide releases. Operators receive training on response to cyanide spills during their initial induction, during regular DDS toolbox talks, and as part of their refresher training.

Emergency response training is provided by independent contractors (eg, Fernando Monterosso, ProCinco 5). The most recent large scale emergency response training was completed in 2010. First aid training for emergency response team members is provided through the American Health Association. Records of any external training provided to San Andres' employees are maintained in individual training files.

Members of the emergency response team wear red hardhats on site so they are easily recognizable. A daily list is generated for San Andres showing the emergency response team lead and team members for the day. AMEC reviewed these lists while on site and found that employees listed were aware of their inclusion in the lists.

No off-site emergency responders would be included in an emergency response to a cyanide release. The San Andres operation would manage the responses including immediate cyanide exposure treatment in the mine's clinic. Employees of the local clinic in Santa Rosa have received training from DuPont on cyanide exposures and treatment, in the event that they would need to be included in the response; this is considered very unlikely by San Andres. AMEC reviewed the training materials and records of the meetings held with DuPont and clinic employees in Santa Rosa and found them to be effective.

Refresher training for emergency response team members is provided by Amilcar Zuniga on site and by external contractors (see example of training provided in 2010 by ProCinco 5). Regular refresher training is provided to the emergency response team on first aid, including cardio pulmonary resuscitation. The most recent session was held in 2012.

The most recent cyanide release was in 2009 that entered the Lara River. The last large scale incident that required mobilization of the emergency response team was a conveyor fire in 2010.

The most recent simulated cyanide release drill (large scale release from equipment in the ADR Plant, potentially entering the adjacent creek/stream) was completed in June 2013. AMEC reviewed the video made of the drill which included both human and environmental exposure and the debriefing notes kept after the drill was evaluated. The emergency response team is called out for all the simulated drills at San Andres. A drill simulating a cyanide release only to surface water (stream) was also completed in 2011. All cyanide emergency drills are videotaped and reviewed afterwards to identify lessons learned, including any additional training that may be required,

either for operators or for members of the emergency response team. A written report is prepared including lessons learned.

Training procedures would be revised if any deficiencies were identified. As part of the evaluation of the drill completed in June 2013, training needs were evaluated, but it was determined that no additional training was required. AMEC interviewed members of the emergency response team included in the drill and the debriefing meeting records and found them to be effectively recorded.

Records are maintained of training provided to emergency response team members by means of attendance sheets showing the names of the employees attending the training course and the topics covered. The large scale training on emergency response provided by external contractors includes on-going evaluation of understanding of the training materials and provision of certificates of completion.

Senior members of the emergency response team (eg, Amilcar Zuniga) complete evaluations of the performance of other members of the emergency response team during drills and any deficiencies would be recorded in the debriefings held after the drills.

All employees receive training on use of fire extinguishers, including dry foam/bicarbonate extinguishers for cyanide releases, as part of their induction training. Evaluation of this training would be by visual observations completed by supervisors if these extinguishers were used by employees.

3.9 Dialogue

Engage in public consultation and disclosure

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

The San Andres Mine is:
- ☒ **in full compliance with**
- ☐ in substantial compliance with Standard of Practice 9.1
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

San Andres has a community relations committee, coordinated by a Community Relations Manager (within the human resources group) that is the primary mechanism for stakeholders to communicate issues of concern to San Andres. There is a written procedure on dialogue with local communities. Presentations are made to school groups and other local community members visiting the mine. Minutes of the meetings are maintained by the Community Relations Manager and would include any issues raised by community members during these meetings.

A presentation has been made on cyanide use by DuPont in La Union, City Hall and in Santa Rosa. The same presentation was made to local community members in January 2013. The community in San Andres has not raised the issue of cyanide in the past two years. Community concerns are primarily with water pollution, wildlife impacts, and human health impacts of mining in general.

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

The San Andres Mine is:
- ☒ **in full compliance with**
- ☐ in substantial compliance with Standard of Practice 9.2
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Opportunities for interaction with local communities include events described in the response to Standard of Practice 9.1, including hosting public meetings with local communities, including schools. A brochure (dated March 2012) describing cyanide use at the San Andres Mine has been prepared for use with local communities at these meetings.

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

The San Andres Mine is:
- ☒ **in full compliance with**
- ☐ in substantial compliance with Standard of Practice 9.3
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

A brochure (dated March 2012) describing cyanide use at the San Andres mine has been prepared for use with local communities at community meetings. Minutes of these meetings and the brochure were reviewed by AMEC.

A description of the mining and processing operations at San Andres is available on the Aura Minerals' website (www.auraminerals.com/Operations/San Andres/Mining/default.aspx; accessed 10 Sep 2013 and www.auraminerals.com/Operations/San Andres/Processing/ default.aspx; accessed 10 Sep 2013).

Local communities would be advised about spill events involving cyanide by San Andres directly and also by means of workers at San Andres returning to the local communities. Spills are reported to regulatory agencies in accordance with local reporting requirements. Any spill event information would be coordinated through the Communication Manager, as part of the emergency response plan, depending on the nature of the spill.

The Community Relations Manager would manage the process for communicating with local municipalities. Normally, communications would be in written form to local communities. There is a local community centre in San Andres that would be used for larger community meetings, as required. The local community in San Andres has not raised the issue of cyanide use in the past two years at community meetings. Community concerns are primarily with water pollution, wildlife impacts and human health impacts of mining in general.

The adult literacy rate in Honduras is approximately 85% (www.unicef.org/infobycountry/honduras_statistics.html; accessed 10 Sep 2013). San Andres uses local radio and TV for providing information on community meetings that might be held on cyanide releases. During the previous spill to the Lara River, San Andres went door-to-door with their communications. The General Manager usually takes responsibility for communicating spill information but can delegate this responsibility, if required.

Information on all cyanide-release scenarios include in the emergency response plan would be made available publicly by means of local community meetings and by reporting to regulatory agencies in Honduras. Information on cyanide releases would also be included in the annual corporate responsibility report (www.auraminerals.com/Investors/Financial-Reports/2012/default.aspx; accessed 10 Sep 2013).

All information concerning cyanide releases is provided to the following agencies: Secretaria de Recursos Naturales y Ambiente, and Municipalidad de La Union Copán y Santa Rosa de Copán, Fiscalia de Medio Ambiente.

In the past two years at the San Andres mine there have been no:

- Cyanide exposures resulting in hospitalization or fatalities;
- 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 of the environment;
- Cyanide releases on or off the mine site requiring reporting to regulatory authorities in Honduras; or
- Releases that exceed applicable discharge limits or that cause applicable discharge limits to be exceeded.

4.0 REPORT SIGNATURES

AMEC is pleased to submit this report for the certification of the San Andres Mine to the *International Cyanide Management Code (July 2012)*.

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AHG/pf