December 17, 2012

ICMI INITIAL CERTIFICATION SUMMARY AUDIT REPORT

PEÑASQUITO MINE ZACATECAS, MEXICO

REPORT

Submitted to:

International Cyanide Management Institute (ICMI)
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UNITED STATES OF AMERICA

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Golder Associates

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1.0 SUMMARY AUDIT REPORT FOR GOLD MINING OPERATIONS

Name of Mine:	Peñasquito Mine
Name of Mine Owner:	Goldcorp Inc.
Name of Mine Operator:	Peñasquito Mine
Name of Responsible Manager:	Jesus Guiterrez, General Manager
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2.0 LOCATION DETAIL AND DESCRIPTION OF OPERATION

2.1 Mine Location

The Peñasquito Mine (Peñasquito) is located in the State of Zacatecas, Mexico (Figure 1). It possesses flat topography and proximity to roads, power, rail, skilled labor and smelters.

2.2 Background

It is a 100% Goldcorp-owned operation composed of two open pits - Peñasco and Chile Colorado containing gold, silver, lead and zinc. At December 31, 2009, proven and probable gold reserves totalled 17.8 million ounces. Silver reserves totalled 1,070.1 million ounces while proven and probable lead and zinc reserves total 7,211 million pounds and 15,930 million pounds respectively. Measured and indicated gold resources stood at 4.45 million ounces and measured and indicated silver resources stood at 391.0 million ounces. In October 2009, the first lead and zinc concentrates were produced and concentrate shipment to smelters commenced with first sales recorded in November 2009. Annual production over the life of mine (estimated 22 years) is expected to ramp up to approximately 500,000 ounces of gold, 28 million ounces of silver and over 450 million pounds of zinc.

Peñasquito processes the ore in two main areas (1) the heap leach pad, solution ponds, and Oxide Plant, and (2) the Sulfide Plant and tailings impoundment. The Oxide Plant uses Merrill-Crowe technology and a refinery. Cyanide is added to the at the zinc cone in the Oxide Plant and to the barren solution before application to the heap leach pad. The Sulfide Plant uses crushing, grinding, and flotation, with deposition of the tailings in the impoundment. Cyanide is added to the sag mills and at the lead flotation circuit. The annual cyanide consumption for both plants is approximately 7.5 million kilograms.

SUMMARY AUDIT REPORT
Auditors Findings

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

Audit Company: Golder Associates

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

Email: kjohnejack@golder.com

Name of Other Auditors

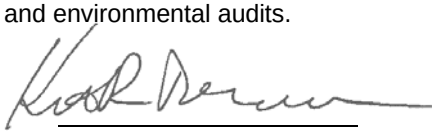
Name, Position	Signature
Ivon Aguinaga, Gold Mining Technical Specialist	
Mark Montoya, Independent Gold Mining Technical Specialist	

Dates of Audit

The Certification Audit was undertaken between June 18 and 22, 2012.

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 Gold Mine Operations and using standard and accepted practices for health, safety and environmental audits.



Peñasquito Mine		December 17, 2012
Name of Facility	Signature of Lead Auditor	Date

Peñasquito Mine
Name of Facility


Signature of Lead Auditor

December 17, 2012
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.

Peñasquito buys cyanide only from E.I. DuPont De Nemours and Co. (DuPont).The contract between Peñasquito and DuPont is from January 1, 2009 to December 31, 2012. A copy of the contract between DuPont and Peñasquito was made available for the auditors to review. Clause 13 of the contract states the requirements with respect to compliance of the supplier with the Code. DuPont's Memphis Plant (Tennessee, USA) has been certified as compliant by the ICMI, as shown at the ICMI website. Peñasquito has a copy of DuPont Sodium Cyanide Production & Packaging Operations ICMI Cyanide Code Re-Certification Audit – Summary Report (certification date: December 1, 2009).

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.

Peñasquito buys cyanide from E.I. DuPont De Nemours & Co., Inc. (DuPont) who is responsible for transport of cyanide from the plant in Memphis (Tennessee, USA) to the site. The purchase contract is from January 1, 2009 through December 31, 2012. Clauses 13 (a) and (d) of the cyanide supply contract state that the designated responsibilities extend to all parties in the cyanide 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.**

☒ **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.

Clauses 13 (a) and (d) of the cyanide supply contract between Peñasquito and Dupont requires that all transporters be certified in accordance with the Code. The purchase contract is from January 1, 2009 through December 31, 2012. DuPont's Mexico supply chain was audited for compliance in March 2010. Segutal is the truck transporter identified in the supply chain audit. The auditors reviewed delivery records for shipments to both the Oxide Plant and the Sulfide Plant that showed that Segutal was the only transporter to Peñasquito for at least three months prior to the site visit.

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.**

☒ **in full compliance with**

The operation is ☐ 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 Handling and Storage 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.

OXIDE PLANT

Design and construction drawings were reviewed and provided adequate detail to demonstrate that the unloading, storage and mixing facilities were designed and constructed in accordance with sound and accepted engineering practices for these types of facilities. In addition to the design/construction drawings, Peñasquito provided a letter from its cyanide manufacturer stating that the offload facility at the Oxide Plant meets its standards and requirements.

The entire process area, including the cyanide offload area, is contained within a reinforced concrete pad surrounded by curbs, parapets and stem walls, providing a competent barrier to seepage. The concrete floor drains to a large concrete sedimentation basin (where the decant solution is pumped to a double, geomembrane-lined sediment pond for further sediment removal) or to a geomembrane-lined channel that is connected to the single, geomembrane-lined contingency pond. Process tanks at the Oxide Plant are secured to solid, reinforced concrete plinth foundations.

Peñasquito does not store solid cyanide. The cyanide offload area, which contains the cyanide mixing and distribution tanks, is located within a secure area. Other than the refinery circuit, the process circuits are located outside in an open-air environment providing adequate ventilation. The cyanide offload facilities at the Oxide Plant are located a safe distance from the public (approximately four kilometers from the site) and away from locations where workers may congregate. Surface water at the site is ephemeral and there are no perennial surface water features nearby, such as springs, streams, rivers or lakes.

Level sensor instrumentation, equipped with audible/visual alarm systems, is installed on the cyanide mixing and distribution tanks at the offload.

SULFIDE PLANT

The unloading area at the Sulfide Plant was designed in accordance with sound engineering practices by M3 Engineering & Technology Corp., and has been approved by Dupont to accept cyanide shipments. The auditors observed that the unloading area is located away from people and is fenced with locked gates. Surface water does not exist around the mine because of the arid climate. Cyanide is received in Iso-tanks that are unloaded on concrete pad that drains to a sump for recovery of solutions. The mixing and distribution tanks have level sensors with alarms linked to the computer systems in the control room, including the day tank. The cyanide mixing and distribution tanks are located on solid concrete pedestals

within a concrete secondary containment. The day tank is located on a metal grate above a concrete secondary containment. The auditors observed that the concrete at both tank locations was in good condition. Peñasquito does not use solid cyanide and therefore does not have a warehouse dedicated to cyanide storage. The mixing and distribution tanks are located outside with good ventilation, and are within secure, fenced areas with locked gates and signs prohibiting unauthorized entry. The day tank is located in the open air on the upper level of the plant with good ventilation and away from inadvertent access. The mixing and storage tanks are separated from incompatible materials, as is the day tank.

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.

☒ **in full compliance with**

The operation is ☐ 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 Handling & Storage 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.

OXIDE PLANT

Peñasquito receives cyanide via trucks carrying Iso-tanks, which return to the cyanide manufacturer's plant immediately following offloads. Thus, Peñasquito does not store or dispose of empty cyanide containers on site. Nonetheless, procedures are implemented to rinse the Iso-tank exterior and remove residues at the completion of the offload.

The offload procedure includes measures for conducting cyanide unloading and mixing activities and provides specific steps related to the activity, including sequential operation of valves, hose connections and pumps. Additionally, it provides a contingency plan for responding to spills for both solid and liquid cyanide and requires the use of proper PPE. At the time of this onsite audit, Peñasquito provided evidence that surveillance cameras had been ordered for installation at the offload to remotely monitor offload events. Meanwhile, Peñasquito committed to using an observer located in a safe location.

SULFIDE PLANT

Peñasquito receives Iso-tanks at the Sulfide Plant, wherein solid cyanide is dissolved in the tank at site, thereby eliminating handling and storage of cyanide containers and management of empty containers. The Sulfide Plant has procedures that discuss removal of residuals from the Iso-tanks and unloading area. The Sulfide Plant also has procedures that address operation of valves during unloading, proper PPE, and spill clean-up. The auditors observed an offload and determined that the proper PPE was worn, the correct pre-inspections were completed, and the valves were operated properly. In addition, a dedicated observer watched the offload from a safe location.

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.**

☒ **in full compliance with**

The operation is

☐ 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.

OXIDE PLANT & HLF

Peñasquito has developed and implemented written management and operating procedures and manuals for cyanide facilities associated with the Oxide Plant and HLF. Generally, each procedure lists responsibilities, environmental aspects, PPE, required knowledge and skills, dangers and risks, equipment and tools, and provides a contingency plan. Procedures include a management system to communicate and evaluate changes in its process or operating practices that may increase the potential for cyanide releases before such changes are implemented. Along with regulatory legislation, which provides environmental protection requirements for gold and silver leaching systems, design reports for the Oxide Plant and HLF identify the assumptions and parameters on which the facility designs were based.

The operation implements comprehensive inspection and PM programs for its cyanide facilities and uses a contract maintenance company to perform all its maintenance work, including routine PM. The maintenance contractor uses SAP© software to manage the program and generate weekly maintenance schedules. Operational inspections are documented on checklists, which are signed and dated by the inspector and in some cases by the supervisor. Maintenance workers complete checklist forms for input into the SAP© system, which retains a history of the work performed.

Diesel-powered generators are located at Oxide Plant. During primary line power outages, the generators power the plant, including the pumps at the HLF. The preventative maintenance program includes routine maintenance of the generators.

TAILINGS IMPOUNDMENT

The auditors reviewed WAD cyanide data from a year-long sampling effort for the tailings pipelines, tailings impoundment, and reclaim ponds. The samples were collected at representative locations by qualified staff from Peñasquito and their analytical laboratory using proper quality control measures described in a sampling plan. These data showed that WAD cyanide concentrations were consistently less than 0.5 ppm, with the exception of a few questionable results that constitute isolated and minor instances. The auditors concluded that the tailings pipelines, tailings impoundment, and reclaim ponds are not cyanide facilities.

SULFIDE PLANT

Peñasquito adds cyanide to the ball mills and lead cleaner flotation circuit in the Sulfide Plant at low levels to suppress pyrite rather than to leach gold. Most of the plant probably has WAD cyanide concentrations less

than 0.5 ppm but data do not exist to define where in the plant that concentrations drop to less than 0.5 ppm. Furthermore, Peñasquito considers it impractical to define selected areas of the plant as cyanide facilities. For those reasons, the auditors consider that the entire Sulfide Plant is a cyanide facility.

The cyanide facilities at the Sulfide Plant consist of facilities with high strength cyanide solutions (i.e., the mixing, storage, and day tanks for distributing 25% cyanide solution to the addition points at the ball mills and lead cleaner flotation circuit) and the remainder of the plant with low strength cyanide solutions. The low strength solutions are generally less than 2 ppm WAD.

Peñasquito has prepared written procedures and plans that describe the measures for operations, inspections, contingencies, and preventative maintenance. Peñasquito has retained several hundred volumes of specifications, commissioning plans, and operating and maintenance manuals in an access-restricted document control room. Contingency procedures exist for upset conditions such as power outages and spills in the various process circuits. The auditors reviewed a procedure for management of change and an example of its implementation at the Sulfide Plant.

Peñasquito performs shift, daily, weekly, and bi-monthly inspections at high strength cyanide facilities according to a written procedure and using checklists and forms that include dates, signatures, deficiencies (if any). Peñasquito also performs thorough weekly inspections of the remainder of the plant, where low strength cyanide solutions are present, with each of the two lines inspected every 15 days.

Peñasquito has a complete preventative maintenance program tracked by the SAP© software and implemented by a contractor, FLSmidth. The program consists of both planned (proactive) maintenance and unplanned (reactive) maintenance in response to deficiencies identified during inspections. The auditors reviewed examples of each type of preventative maintenance.

The Sulfide Plant is designed such that all flows of cyanide solutions would stop in the event of a power outage by closing of check valves and the shutdown of electronic flow controllers. Therefore, backup power is not needed at the Sulfide Plant for the purpose of managing cyanide solutions.

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

The operation is

☒ **in full compliance with**

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

☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The 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.

Peñasquito has developed and implemented a method to optimize cyanide consumption at the two addition points in the Sulfide Plant. The addition points are the ball mills and the lead flotation circuit. The initial cyanide addition rate was determined between 2004 and 2007 by thousands of laboratory tests. Since that time, Peñasquito has evaluated cyanide addition strategies that have resulted in halving the initial cyanide addition rate. Peñasquito controls cyanide addition by measuring the head grade and metals concentrations of the ore delivered to the mill, and then adjusting cyanide addition rates at the ball mills and lead cleaner flotation circuit on an hourly basis with results reported on a per shift basis. Peñasquito maintains an automatic sampler at the exit of the plant to ensure the cyanide addition strategies are resulting in low WAD cyanide concentrations in the tailings.

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

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Standard of Practice 4.3**

☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Standard of Practice 4.3, requiring the operation to implement a comprehensive water management programme to protect against unintentional releases.

Peñasquito has a water balance for the heap leach and process ponds that is probabilistic and comprehensive. It was specifically developed to manage the potential for overtopping of process ponds. The model is comprehensive in that it considers the factors applicable to the each facility. The model is probabilistic in that it consider long-term variability of precipitation (e.g., average year, wet year), monthly and daily variability, extreme events (e.g., 100-year, 24-hour storm), and upset conditions (e.g., power outage).

The water balance model considers the appropriate factors on a daily basis with reasonable values for the facility and site conditions. The solution application rate and irrigated area are defined. A power outage of 24 hours is considered, as well as the extreme event of the 100-year, 24-hour storm. Losses are conservatively limited to water retention in the heap. Seepage losses are not considered because of the pad liner. Evaporation losses are not considered because of Peñasquito's intent for the model to be conservative with respect to the potential for overtopping ponds. Upgradient run-on is diverted and no solutions are treated for discharge. Freezing and thawing are not considered due to hot climate. Groundwater is present at least 10 m below the pad liner and there is no impact on the water balance from the phreatic surface.

Peñasquito inspects and monitors the process ponds, with an emphasis on the contingency pond, on a weekly basis in accordance with a standard operating procedure for inspections of ponds and the heap leach pad. The auditors observed that trigger levels in the water balance and procedure were marked on the side of the contingency pond and the water management measures associated with these trigger levels were defined in the standard operating procedure (e.g., forced evaporation, application to inactive areas on the pad). Peñasquito conducts annual inspections of the surface water diversions around the heap leach pad, as confirmed by a recent inspection form.

Peñasquito operates the process ponds with adequate freeboard above the maximum solution capacity. All process and stormwater ponds are operated with 1 m of freeboard, except the small Mud Pond which is operated with 0.5 m freeboard. The auditors observed the ponds being operated with the stated freeboard, as well as completed inspections with freeboard noted for the contingency pond.

Peñasquito measures precipitation at two site stations that are representative of site conditions. The data from the airstrip station are regularly incorporated into the 2012 daily water balance spread sheet so that operating practices may be revised if needed. Peñasquito has compared the site precipitation data (which has a short period of record) to the data from the nearest government station (which has a longer period of record) to confirm that the average and wet years from the government station are likely to represent site conditions.

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

☒ **in full compliance with**

The operation is ☐ 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.

Although Peñasquito maintains WAD cyanide concentrations above 50 ppm at the heap leach and the process ponds, measures to restrict access by wildlife, cattle and birds have been installed and mortalities have been effectively prevented. The auditors observed a barbed wire fence around the mine property to restrict access by cattle. In addition, the heap leach pad is surrounded by a combination of a berm and barbed wire fence. Propane cannons are used at the active leach cells and the toe collection ditch to deter wildlife and birds. All flow in the toe collection ditch is contained in pipes. The auditors further observed a combination of two layers of fencing (one was a high chain link fence and the other a low fine-mesh fence), birdballs, netting, and scareowls with distress calls at the process ponds to deter wildlife. A query of the database for tracking wildlife mortalities showed none in the approximate 4 month period preceding the site visit. Peñasquito has developed a written procedure to control ponding on the active cells and inspects for ponding daily. The auditors did not observe any ponding at the time of the site visit. Peñasquito applies leach solutions via sprinklers and the auditors did not observe overspray during the site visit.

Standard of Practice 4.5: Implement measures to protect fish and wildlife from direct and 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.

Peñasquito does not directly or indirectly discharge to surface water because there are no surface water features in the vicinity of the mine due to the arid climate. Peñasquito annually inspects the diversions around the heap leach pad for evidence of indirect discharges.

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.

Peñasquito has implemented measures to protect groundwater from seepage from the heap leach pad, process plants, and Oxide Plant, generally consisting of geomembrane liners, leachate collections and

recovery systems, and concrete floors as applicable to each type of facility. Review of the analytical results from the three quarterly sampling events preceding the site visit at the two groundwater monitoring wells downgradient of the pad, ponds, and plant showed non-detect concentrations of WAD and total cyanide. The actual beneficial uses downgradient are ranching and farming, but not domestic use because Peñasquito provides potable water to nearby residents.

All solutions at the Sulfide Plant are contained in process tanks and columns with secondary containment provided by the concrete floor of the plant in order to prevent seepage to groundwater. Peñasquito is not required by the Mexican government to monitor groundwater downgradient of the Sulfide Plant, nor would it be reasonable to do so given that there are no process ponds or other open process waters associated with the Sulfide Plant.

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

☒ **in full compliance with**

The operation is

☐ 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.

OXIDE PLANT

The entire process area at the Oxide Plant, including the cyanide offload area, is contained within a reinforced concrete pad surrounded by curbs, parapets and stem walls, providing a competent barrier to seepage. The process tank foundation and floor system serves to prevent any seepage from the tank bottoms from entering the ground. The concrete containment drains to a large concrete sedimentation basin (where the decant solution is pumped to a double, geomembrane-lined sediment pond for further sediment removal) or to a geomembrane-lined channel that is connected to the single, geomembrane-lined contingency pond providing adequate surplus capacity.

All cyanide process solution pipelines at the Oxide Plant are located within the concrete secondary containment provided for the process and cyanide offload areas or with geomembrane-lined channels connecting the plant with the HLF (i.e., process ponds and heap leach pad). The cyanide pipelines and tanks at the Oxide Plant and HLF are constructed of carbon steel, stainless steel, fiberglass, HDPE and polyvinyl chloride (PVC).

SULFIDE PLANT

The mixing and distribution tanks at the Sulfide Plant are installed on solid concrete pedestals within concrete secondary containment. The day tank is installed on a metal grate above concrete secondary containment. The entire concrete floor and walls of the Sulfide Plant provide secondary containment for the low strength cyanide solutions in the process tanks and columns. The auditors observed the concrete containments to be in good condition. The volumes of secondary containment are adequate. Solutions in secondary containment for the mixing and distribution tanks are automatically returned to the tanks via a sump pump. Solutions in the secondary containment for the day tank automatically drain by gravity to one of the ball mills. Any low strength cyanide solutions on the floor of the Sulfide Plant are returned to the process circuit. All pipelines bearing cyanide solutions are either over concrete containment or within exterior piped containment. There are no pipelines posing a risk to surface water, and in any case there is not surface

water at the site due to the arid climate. All materials observed (e.g., steel and HDPE) by the auditors were compatible with cyanide and high pH.

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.

OXIDE PLANT & HLF

Peñasquito implemented comprehensive QA/QC programs during construction of the cyanide facilities at the Oxide Plant and HLF, and has retained electronic QA/QC records. The programs include appropriate testing concerning the suitability of materials, welding, concrete, adequacy of earthworks and soil compaction, and installation of geomembrane liners. Qualified and reputable companies conducted the QA/QC program and provided the associated construction and testing services. The QA/QC documentation is thorough and in general provides approval signatures and appropriate signoffs.

SULFIDE PLANT

The cyanide facilities at the Sulfide Plant were constructed under a complete program of QA/QC. The program included mechanical, electrical, instrumentation, piping, concrete, and earthworks, as well as the vendor's fabrication of metal tanks. Peñasquito has retained these documents in an access-restricted document control room at the Sulfide Plant. The QA/QC program was overseen by M3 Engineering and Technology Corporation, a reputable company known to the auditors. The QA/QC documentation is thorough and includes signed turn-over documentation from M3 to Peñasquito.

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.

Peñasquito has implemented a quarterly groundwater monitoring program, but does not monitor surface water because no surface water exists near the site. Qualified staff from both Peñasquito and the analytical laboratory (i.e., ALS Indequim) have developed the groundwater monitoring protocols. The protocols describe how to properly collect samples and the protocols for containerization, preservation, handling, and shipping. The protocols specify analysis of total and WAD cyanide. The auditors reviewed completed field forms describe the weather, wildlife/cattle, and other conditions at the time of sampling. Peñasquito monitors

groundwater in two wells downgradient of the heap leach pad and solution ponds, as shown on a map that accompanies the sampling protocols.

Peñasquito has developed a procedure and field forms for daily inspection of wildlife mortalities at the heap leach pad, pipeline channels, and ponds. The auditors reviewed completed field forms include information on species and number of individuals observed, as well as checks that the propane cannons and fake owls are functioning.

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.

Peñasquito provided the auditors with a decommissioning plan for cyanide facilities at both the Oxide Plant and Sulfide Plant. This plan includes all of the cyanide facilities, as well as describes the activities for draindown of the heap leach pad; conversion of the process ponds to evapotranspiration cells; removal of residual reagent-grade cyanide; decontamination of cyanide equipment, structures, and foundations; disposal of any cyanide-contaminated sludge or scale; and dismantlement and demolition of equipment, structures, and foundations. Peñasquito has developed a decommissioning schedule for the cyanide facilities and activities in terms of years after mine closure. The auditors observed that the Introduction to the decommissioning plan calls for annual review and revision as appropriate.

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.

Peñasquito has developed a closure cost model that includes decommissioning of the cyanide-related parts of the two plants (i.e., Oxide Plant and Sulfide Plant), heap leach, and process ponds. The auditors confirmed that the cost estimate includes the applicable facilities and activities. The closure cost model uses third party rates based on quotes from Mexican vendors and contractors. The associated decommissioning plan states that closure costs are to be updated annually and the auditors observed past versions of the cost model confirming that this occurs. The Mexican government does not require financial assurance and therefore Peñasquito has selected self-guarantee as the method of financial assurance. The auditors reviewed a 2011 letter from a Chartered Accountant verifying Goldcorp Inc.'s conformance with the financial tests for a self-guarantee mechanism.

PRINCIPLE 6 – WORKER SAFETY

Protect Workers' Health and Safety from Exposure to Cyanide

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

☒ **in full compliance with**

The operation is

☐ in substantial compliance with **Standard of Practice 6.1**

☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation 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.

Peñasquito has developed written standard operating procedures and plans that describe the management and operation of the cyanide facilities. The procedures and plans have been developed to eliminate, reduce and control exposure to cyanide. Individual task specific procedures provide details for safe operation of the cyanide facilities, personal protective equipment requirements and inspection requirements.

Pre-work inspections prior to a cyanide unload event are completed by process personnel at both process areas. Also inspections of the cyanide facilities are conducted on a regular basis. Inspections include cyanide tanks, pipes, pumps, secondary containments, safety devices (e.g. safety showers, eyewash stations, cyanide kits and fire extinguishers), process ponds and leach pad areas.

Peñasquito has developed procedures to be used when a facility or operational change/modification is proposed. The procedures consider the involvement of process, environmental and safety personnel in the assessment of the proposed changes. All changes are communicated to the workforce and training requirements updated. Peñasquito has safety meetings to provide information and training to employees as well as to solicit input from employees on worker safety issues.

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.**

☒ **in full compliance with**

The operation is

☐ 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.

The pH is monitored and maintained to prevent the formation of hydrogen cyanide gas, as recommended in the standard operating procedures. Fixed hydrogen cyanide gas monitors are installed in areas of potential exposure to cyanide. In addition, operators use portable hydrogen cyanide gas meters to conduct maintenance work, confined space related work, and other cyanide tasks. Hydrogen cyanide gas sensors are set at 4.7 parts per million low level alarm and 10 parts per million high level alarm. Hydrogen cyanide gas monitors are maintained, calibrated and inspected as recommended by the manufacturer. Warning signs are posted in areas where cyanide is used to alert workers that cyanide is present and that smoking,

eating and drinking are not allowed. Pipes carrying cyanide are marked and the direction of flow is indicated with arrows on the pipe. Signage for confined spaces in tanks has also been placed.

Showers, low-pressure eye wash stations, and dry powder fire extinguishers are located at strategic locations throughout the operation and are maintained, inspected and tested on a regular basis. Showers and eyewash stations were operational. First aid procedures and Material Data Safety Sheets are available in the control rooms and in main process areas of both plants. The instructions are in Spanish, the language of the workforce. Peñasquito implemented procedures that require all incidents and accidents involving cyanide exposure be investigated and evaluated to determine if its programs and procedures to protect worker health and safety and to respond to cyanide exposures are adequate or if changes are necessary.

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

☒ **in full compliance with**

The operation is ☐ 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.

Cyanide antidote kits are located in the Oxide Plant process control room, the Sulfide Plant reagent control room and the medical clinic. Cyanide antidote kits include amyl nitrite, sodium nitrite, sodium thiosulfate, oxygen, and a first aid kit. In addition, resuscitators and an ambulance are located in the medical clinic. Amyl nitrite is stored at the manufacture's recommended temperature and is within expiration dates. First aid equipment is inspected regularly.

Peñasquito has developed a Cyanide Emergency Response Plan for cyanide exposures and releases. The plan addresses several cyanide exposure scenarios such as cyanide transportation incidents, spills and cyanide exposure (through inhalation, absorption, skin contact and ingestion). In addition, the plan describes decontamination procedures, evacuation, emergency contact information, clean up measures, reporting requirements and others.

Peñasquito has its own on-site medical clinic staffed with a doctor, a nurse and a paramedic per shift to provide first aid or medical assistance to workers exposed to cyanide. Peñasquito has developed procedures to transport workers exposed to cyanide to the local hospitals in Concepcion del Oro, Mazapil or Saltillo for further treatment, if needed. Peñasquito has determined that the hospitals are adequate and have qualified medical staff and the cyanide antidote (sodium thiosulfate and sodium nitrite) to respond to cyanide exposures. Auditors reviewed a copy of the signed agreements between Peñasquito and the hospitals well as records of cyanide related medical training received by hospital staff. Peñasquito conducts cyanide exposure mock drills and tests the relevant emergency procedures on a regular basis.

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.

Peñasquito has developed plans and standard operating procedures that address emergency response to potential accidental releases of cyanide. Peñasquito plans contain procedures for potential scenarios such as: 1) cyanide intoxication; 2) accidents during cyanide transportation; 3) releases during unloading; 4) release of cyanide during fires and explosions; 5) pipe, valve or tank ruptures; 6) overtopping of ponds; 7) electrical power outages and pump failures; 8) uncontrolled seepage; 9) failure of the heap leach facility; 10) cyanide spill control and clean-up; and 11) decontamination and emergency evacuation.

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

The operation is

☒ **in full compliance with**

☐ in substantial compliance with **Standard of Practice 7.2**

☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The 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.

Peñasquito involves site personnel and stakeholders in the planning process and keeps their emergency response plans current. Peñasquito solicits the input of its workforce and local response agencies (e.g. local hospitals) in the emergency response planning through safety meetings, training sessions and mock drills.

Worker input in developing and evaluating health and safety procedures is via direct communication between supervisors and operators and during daily meetings. In addition, process people and the Emergency Response Team have participated in the cyanide related mock drills conducted in January 2011, October 2011 and June 2012.

Peñasquito doctors are in frequent communication with the medical staff of local hospitals. Peñasquito has made formalized arrangements with five local hospitals to provide assistance to workers exposed to cyanide. Peñasquito has trained the hospital staff in “Medical Treatment for Cyanide Intoxication” through DuPont in April 2012 and July 2010. Peñasquito has also provided training in cyanide use and management to Civil Protection and local fire departments of Concepcion del Oro and Mazapil in March 2011. Auditors reviewed records.

Local communities located along the cyanide transportation route and downstream of the process facilities have participated on workshops where the cyanide use and management including cyanide first aid have been discussed.

In addition, Peñasquito keeps a stakeholder contact information list in its emergency response procedures including cyanide supplier (DuPont), Civil Protection, regulatory agencies, outside medical facilities and leaders of the Palmas, Cedros and Mesas communities.

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.

Peñasquito has committed in their emergency response plans and procedures the necessary emergency response equipment and first aid to manage most cyanide incidents at the operation and to coordinate transportation to local hospitals for further treatment if needed. The Cyanide Emergency Response Plan defines the responsibilities and level of authority of the emergency response coordinators for different site emergency scenarios.

Peñasquito has identified its Emergency Response Team and emergency coordinators and has an updated list of them (e.g. emergency coordinators, brigade members, doctors, nurses and paramedic) including their name and contact information.

Peñasquito has emergency responders and doctors onsite to respond to a cyanide emergency. Emergency responders are trained in fire fighting, Hazmat, collapsed structures and cyanide first aid. All emergency equipment and supplies are inspected weekly.

Peñasquito has engaged in consultation with outside entities (local hospitals, Civil Protection, local fire departments and local communities) through meetings and training sessions.

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

☒ **in full compliance with**

The operation is

☐ 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 emergency response plan and procedures detail the procedures (including current contact telephone numbers) for internal and external emergency notification and reporting.

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.**

☒ **in full compliance with**

The operation is ☐ 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.

Peñasquito has prepared cyanide response and remediation plans and procedures for potential cyanide releases. These documents include emergency response procedures to address the management of contaminated soils and describe what final cyanide concentration will be allowed in residual soil as evidence that the release has been completely cleaned up. Soils samples would be taken following clean up to confirm complete removal of all cyanide contaminated materials. Peñasquito has developed plans to sample and monitor soils and groundwater in the event of a cyanide spill.

Peñasquito does not consider the use of chemicals to treat cyanide that has been released into surface waters. There are no water bodies in the area near Peñasquito. In case of a cyanide release from the mine that may affect any water supply sources used by the communities located downstream of the process facilities, bottled water or water in trucks will be distributed to the communities, if needed.

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

☒ **in full compliance with**

The operation is ☐ 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.

Peñasquito evaluates and updates their Cyanide Emergency Response Plan on a regular basis and following mock drills and actual incidents as needed. Peñasquito conducts mock drills at least once per year at both process plants to practice and prepare for emergencies and to provide insight into the effectiveness of its emergency response plans.

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.

☒ **in full compliance with**

The operation is ☐ 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.

Peñasquito provides initial training and refresher training to all employees, with the potential to be exposed to cyanide, on cyanide hazard recognition and cyanide first aid treatment. Peñasquito retains all cyanide training records including test results demonstrating an understanding of the 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.

☒ **in full compliance with**

The operation is ☐ 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.

All personnel in job positions that involve the use of cyanide and cyanide management (including unloading, production and maintenance) receive training on how to perform their assigned tasks with minimum risk to worker health and safety. Individual training is provided for each specific task an operator will perform related to cyanide management. Task specific procedure training is provided prior to working with cyanide independently. The procedures include the objective of the procedure, photos of the task/activity to be conducted, training requirements, required personal protective equipment, risks associated with the cyanide task, contingency plans and the individual task specific steps.

All task-specific training is conducted by supervisors that have several years working in the process area and have received “Cyanide Management Train-the-Trainer” training provided by DuPont. Peñasquito requires and provides refresher training in cyanide management (annually), in the use of the cyanide emergency response equipment (three times a year) and in task specific procedures (at least twice a year) to ensure that employees continue to perform their jobs in a safe and environmentally protective manner. Peñasquito requires written tests to evaluate the effectiveness of cyanide training and those training records are retained throughout an individual's employment, documenting the training received. The records include the name of the employee and the trainer, the date of training; the topics covered, and test results demonstrating an understanding of the training materials.

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

Personnel responsible for unloading, production, and maintenance are trained in procedures to be followed if cyanide is released. Task specific procedures and the Cyanide Emergency Response Plan address several cyanide exposure scenarios and describe procedures for cyanide exposure (through inhalation, absorption, skin contact and ingestion), decontamination, evacuation, emergency contact information, clean up measures, reporting requirements and others. Peñasquito emergency responders are trained in the procedures described in the Cyanide Emergency Response Plan. Peñasquito response personnel receive refresher courses in cyanide first aid treatment, hazmat, decontamination and remediation procedures for cyanide related exposures and releases. Peñasquito has made local response agencies familiar with those elements of their cyanide emergency response plan related to cyanide through training sessions and meetings.

Peñasquito conducts mock emergency drills based on likely release/exposure scenarios. Drills are evaluated from a training perspective to determine if personnel have knowledge and skills required for effective response.

Training records are retained and include the names of the employee and the trainer, the date of training; the topics covered, and test results demonstrating an understanding of the training materials.

PRINCIPLE 9 – DIALOGUE

Engage in Public Consultation and Disclosure

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

The operation is

☒ **in full compliance with**

☐ 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.

Peñasquito has an open door policy. Peñasquito conducts community meetings and workshops on cyanide use and management at the mine on a regular basis. Workshops involved local communities located downstream from the mine and along the cyanide transportation route. Peñasquito hosts mine tours which include a discussion of the mine process. During mine tours, stakeholders have the opportunity to raise issues of concern and a variety of personnel are available to answer questions. Stakeholders and the public may contact Peñasquito via advertised phone numbers in their corporate website and through their information office in Mazapil.

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

The operation 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:

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.

Peñasquito has an open door policy and has developed opportunities to interact with stakeholders and provide them with information regarding cyanide management practices and procedures. Peñasquito conducts community workshops on a regular basis. During these workshops, a presentation on the cyanide management at Peñasquito is provided. The presentation includes cyanide characteristics, safety practices, cyanide isotainer, routes of cyanide exposure, emergency response plan, hydrogen cyanide gas exposure limits, cyanide first cyanide, medic treatment and spills. Workshops involved the local communities located downstream from the mine and along the cyanide transportation route.

In addition, Peñasquito hosts mine tours which include a discussion of the mine process. During mine tours, stakeholders have the opportunity to raise issues of concern and a variety of personnel are available to answer questions.

Verification was by interview with the Community Relations Representative and review of meeting, tour and workshop records.

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

The operation 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:

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.

Information regarding cyanide releases is made available through a number of company and official outlets such as the websites, sustainability report etc.

Peñasquito provides information on cyanide in written format (i.e. pamphlet on "Adequate Cyanide Management" and articles on "Peñasquito Makes Progress to the Cyanide Safety Use Certification" and "Peñasquito Works to Obtain the Cyanide Safety Use Certification" published in local newspapers) and oral form (i.e. community workshops and mine tours). Records of the community workshops (including photos, drawings and PowerPoint on "General Information on Cyanide Management for Communities"), documentation on mine tours and the report on the March 2010 Community Fair were reviewed.

The pamphlet on "Adequate Cyanide Management" includes information on characteristics of solid and liquid cyanide, natural forms of cyanide, cyanide use at the site, and procedures in case of an incident during cyanide transportation. The pamphlet has been distributed to workers and communities. Articles published in local newspapers discussed cyanide use and safety practices at the site, including training provided to local hospitals, the cyanide leach process and Code requirements. Auditors reviewed a copy of the pamphlet and the articles.

A cyanide exposure or release will be reported to regulatory agencies, as required, within the corresponding regulatory timeframe. Spill reporting procedures and quantities are described in the cyanide Emergency Response Plan. Information on cyanide exposures and releases that will be submitted to the regulatory agencies would be information available to the public. Regulatory agencies may include the Work and Social Prevention Secretary and Public Ministry for exposures, and PROFEPA and SEMARNAT for releases.

Report Signature Page

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At Golder Associates we strive to be the most respected global group of companies specialising in ground engineering and environmental services. Employee owned since our formation in 1960, we have created a unique culture with pride in ownership, resulting in long-term organisational stability. Golder professionals take the time to build an understanding of client needs and of the specific environments in which they operate. We continue to expand our technical capabilities and have experienced steady growth with employees now operating from offices located throughout Africa, Asia, Australasia, Europe, North America and South America.

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