SUMMARY AUDIT REPORT

for the April 2017
International Cyanide Management Code Recertification Audit

Prepared for:
Kinross Gold Corporation
KG Mining (Bald Mountain) Inc.

Submitted to:
International Cyanide Management Institute
1400 "I" Street NW, Suite 550
Washington, D.C. 20005

FINAL
24 August 2017

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SUMMARY AUDIT REPORT

Name of Mine: Bald Mountain Gold Mine

Name of Mine Owner: Kinross Gold Corporation

Name of Mine Operator: KG Mining (Bald Mountain) Inc.

Name of Responsible Manager: Randy Burggraff, General Manager

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Location detail and description of operation:

The Bald Mountain Mine (BMM) was acquired by Kinross Gold Corporation in January 2016. The mine is an open pit, run-of-mine, heap leach gold operation that is located in north eastern Nevada, USA, approximately 60 miles south of Elko. The mine is located in White Pine County in a remote area of that comprises open country and scattered ranches; the nearest located approximately 11 miles away. The mine is located in an arid climate, and has an average annual precipitation of approximately 11 inches. There are no perennial surface water bodies and water flows are restricted to large storm events or rapid snowmelt conditions. Except for some local shallow perched aquifers groundwater is generally encountered greater than 300 feet below ground surface.

The process operations are divided between two separately permitted operations; the Bald Mountain Mine Area located on the western portion of the mine property and the Mooney Basin Area located on the eastern portion of the property.

The Bald Mountain Mine Area includes:

- Process Area #1 which is no longer in operation. This consisted of a leach, five process ponds and a process building. The facilities have been decommissioned and the ponds backfilled. The area is currently under reclamation.
- Process Area #2 includes leach pads (Bald Leach Pad (previously pads 2 through 4) and Leach Pad 5), Settling Pond (PS1), Overflow Pond (POF1) and Secondary Pond

(P4), two pregnant solution ponds (P5 and P6), Barren Pond (P7), Carbon-in-Column (CIC) process plant and cyanide offloading facility. The process plant used to have a carbon stripping, carbon regeneration and gold refining facilities, but these were decommissioned in 2012.

The Mooney Basin Area includes three process areas:

- North Area Facility, comprising a leach pad (Original Pad and Expansion Pads I, II, and III), two process solution ponds, a storm/event pond, Carbon-in-Column (CIC) process plant and cyanide off-loading facility;
- South Area Facility, comprising Leach Pad 4, a process solution pond, a storm/event pond, a solution collection tank, CIC plant and cyanide off-loading facility.
- Deep South Area Facility, comprising Leach Pad 5, a process solution pond, one storm/event pond, and a solution collection tank. Pregnant solution from this facility is piped to the South Area CIC plant for processing.

Prior to the previous ICMC recertification audit the Mooney North and Mooney South Area facilities operated independently. Pregnant and barren solution lines were subsequently constructed that now connect these facilities, allowing solution to be pumped between them as needed. At the time of this recertification audit the operation was in the process of site clearing for new construction of the Mooney South Pad 4 Expansion and Mooney Deep South Pad 6.

Figure 1. Site Location

SUMMARY AUDIT REPORT

Auditors' Finding

The operation is: ■ in full compliance
in substantial compliance
not in compliance

with the *International Cyanide Management Code.*

BMM has not experienced any ICMC compliance issues during the previous three-year audit cycle.

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Audit Team Leader: John Lambert
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Date(s) of Audit: 3rd to 7th April 2017

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the *International Cyanide Management Institute* for Code Verification Auditors. I attest that this Detailed Audit Findings 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 Mine Operations* and using standard and accepted practices for health, safety and environmental audits.

Bald Mountain
Name of Mine

Signature of Lead Auditor

24 August 2017
Date

SUMMARY AUDIT REPORT

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

Standard of Practice

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

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

Summarize the basis for this Finding/Deficiencies Identified:

BMM continues to purchase liquid sodium cyanide solution from Cyanco Company, LLC ("Cyanco"), Winnemucca, NV. Previously under a contract with Barrick, Cyanco now supplies cyanide under a contract with Kinross since Kinross acquired BMM in January 2017. The Kinross corporate contract, is dated 1 January 2011 and expires on 31 December 2017. The contract requires that both parties to achieve and maintain compliance with ICMC requirements. Cyanco was originally certified to the ICMC 11 October 2006, and was most recently recertified on 22 November 2016.

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

Standards 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 operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 2.1.

Summarize the basis for this Finding/Deficiencies Identified:

There has not been a change in the means of transportation from the previous recertification audit. Cyanco continues to subcontract TransWood, Inc. (TransWood) to deliver liquid cyanide

solution in bulk delivery tankers to BMM. TransWood was originally certified to the ICMC on 11 October 2006, and was most recently recertified on 12 January 2017. Under the Kinross corporate supply contract, Cyanco is responsible for compliance with the requirements of the ICMC applicable to all aspects of production and transportation to the delivery locations, including providing appropriate packaging and labelling, storage, evaluation and identification of transportation routes, interim loading and unloading, transportation to the delivery locations, training of transporters and handlers, transport maintenance for any transport vehicles provided by Cyanco or its affiliates, security, and emergency response procedures throughout the shipping process.

Cyanco must exercise due care to select carriers who will perform to the same standards as are required of Cyanco. The contract specifically extends all requirements and prohibits changes in subcontractors without RMGC approval. The contract also specifies that Cyanco is responsible for pumping the cyanide into the storage tanks at the designated storage facilities, and defines the transfer of title as the point where product has "*passed the flange from the transport truck into the storage tank at the designated storage facility at the Delivery location".*

Standards of Practice

2.2 Require that cyanide transporters implement appropriate emergency response plans and capabilities, and employ adequate measures for cyanide management.

The operation is:

- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 2.2.

Summarize the basis for this Finding/Deficiencies Identified:

Please refer to Section 2.1 above. BMM purchases cyanide exclusively from Cyanco who continues to use TransWood for transport of the product between the Winnemucca production plant and the BMM mine. The supply contract between Kinross and Cyanco requires that both Kinross and Cyanco remain signatories of the ICMC for the term of the contract and agree to comply with applicable environmental, transportation and safety regulations, including the ICMC. TransWood was originally certified to the ICMC on 11 October 2006, and was most recently recertified on 12 January 2017.

There has been no change in chain of custody practices since the previous recertification audit. BBM personnel sign and receive copies of a Bill of Lading (BOL) that documents custody from the point that a trailer is filled at Cyanco's Winnemucca facility to offloading at the specified storage tank. The BOL is signed by BMM that the quantity specified on the BOL is correct and

received in good condition. There is no interim storage in transit as the cyanide is shipped directly to the mine.

3. HANDLING AND STORAGE Protect workers and the environment during cyanide handling and storage.

Standards of Practice

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

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 3.1.

Summarize the basis for this Finding/Deficiencies Identified:

The cyanide offload and storage facilities at BMM have not changed since the previous recertification audit in 2013. Cyanide solution is delivered to the Process #2 Plant, Mooney North CIC Plant, and Mooney South CIC plant. The design and construction of the cyanide offload and storage facilities has been performed in accordance with sound and accepted engineering practices as documented in design, construction drawings and evaluation reports as prepared and stamped by Nevada registered Professional Engineers.

The tanker truck unloading areas are on concrete pads constructed of cast-in-place reinforced concrete and the storage tanks are provided with containment greater than 110% of the largest tank. The unload pads and tank containment basins provide adequate barriers to prevent seepage to the subsurface. The offloading and storage areas are located away from public access and no perennial surface water bodies are within one mile of the facilities. All three areas are located within fenced, secure areas of the mine. All personnel with access to the unloading and storage facilities, including contractors, receive site specific health and safety training that includes cyanide hazard awareness.

The BMM cyanide storage tanks have ultrasonic level indicators and high level alarms that prevent overfilling. These indicators report tank levels to the plant control rooms. BMM operators monitor the cyanide storage tank levels each shift and order cyanide deliveries as needed to meet the production needs. In addition the tanks at the Mooney South plant are equipped with manual tank gauges that are used by operators daily to check the functioning of the high-level alarms on these tanks. Operating procedure prohibits unloading if levels are not below 72%, and levels are visible on the control room console. The high-level alarms are set to activate when the tank levels reaches 90% of the tank volume.

The cyanide storage tanks are located on concrete pads and within concrete curbed containment that prevents seepage to the subsurface. BMM has an inspection and preventative maintenance program for identification and patching of cracks. During this onsite recertification audit, the concrete containments were observed to be in good repair, with cracks in the concrete grouted and sealed.

The cyanide storage tanks located Mooney Basin South and Mooney Basin North are inside the process buildings. The buildings are ventilated by fans located near the top of the walls and the tanks have ventilation pipes to exhaust cyanide gases to outside the building. In addition roll-up door access for the cyanide delivery tanker and carbon trucks provides additional ventilation. The storage tank at Process #2 Plant is located outside with adequate ventilation. The process areas where cyanide is stored and used are located within fenced complexes of the BMM operations. Areas where cyanide is used are classified as restricted areas and only personnel trained in cyanide hazards are allowed in those areas.

No incompatible chemicals are used at the Mooney Basin South or Mooney Basin North process buildings. Since the 2013 ICMC Recertification Audit the stripping circuit has been removed from the Process #2 plant and the stripping vessels and acid storage tanks converted for carbon storage. As a result the Process #2 plant now operates as a CIC plant and no longer stores incompatible chemicals such as acids.

Standards of Practice

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

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 3.2.

Summarize the basis for this Finding/Deficiencies Identified:

All cyanide is delivered as a 30% aqueous solution in dedicated tanker trailers so no packing wastes are generated. "Dripless" discharge fittings are used in conjunction with "Ergo Brackets" installed on the quick-release couplings for the feed lines to the tanks. The offloading procedure calls for pre-operation safety checks, confirmation of storage tank levels, set-up of the red-zone barricades, lockup of the receiving valve after delivery and wash down of equipment. The procedure also includes actions to be taken in the event of a hydrogen cyanide (HCN) alarm or a spill. Although the driver is responsible for off-loading, the BMM operator is trained in the transporter personal protective equipment (PPE) requirements, procedures and emergency shutdown requirements, in the event of an emergency. Offloading

does not occur until a BMM operator is present to observe compliance with PPE requirements, truck parking and chocking, tank levels, operation of safety shower/eyewash and act as an onsite observer from a safe area during the offloading.

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

Standards of Practice

4.1 Implement management and operating systems designed to protect human health and the environment including contingency planning and inspection and preventive maintenance procedures.

The operation is:

- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 4.1.

Summarize the basis for this Finding/Deficiencies Identified:

BMM has developed, implemented and maintained written management and operating plans and standard operating procedures (SOPs) for its cyanide facilities, and evidence indicates that the procedures have been in effect over the last three years but are in the process of being updated to harmonize with the Kinross operating standards after the operation was acquired by Kinross in January 2016. The Water Pollution Control Permits (WPCPs) for Bald Mountain (NEV50045) and Mooney (NEV98100) also specify operating requirements for solution management. The operating plans and procedures developed and implemented by BMM that cover the safe operation and management of the cyanide facilities within design parameters, inspection of process plants and leach pad facilities on scheduled frequencies, monitoring and management of fluids, preventative maintenance, management and monitoring of wildlife, regulatory reporting, cyanide awareness and task training, as well as worker safety and emergency response preparedness.

The BMM Fluid Management Plans include descriptions of the fluid management requirements for safe operation and within regulatory compliance. The plans include the requirement for maintaining a minimum freeboard within all ponds and contingency actions in the event of a power outage and when ponds are at their maximum operating levels. The WPCPs issued by Nevada Division of Environmental Protection (NDEP) also provide a detailed description of the applicable regulatory requirements. Other regulatory requirements include regular pumping and monitoring of leak detection and leak collection systems. Operating requirements to prevent wildlife from gaining access to impoundments containing materials that harm wildlife are stipulating in the four Industrial Artificial Pond Permits (IAPP) issued to BMM.

BMM has inspection programs in place for all cyanide facilities. These programs have not significantly changed since the 2013 ICMC Recertification audit. Process personnel conduct detailed, shift inspections of the heap leach process areas including the pads, pond systems and levels, and process plants. The inspections are documented on checklists and inspection forms and records are retained. In addition to the shift operator inspections, weekly inspections are conducted of dikes, diversion channels containments and leak detection ports on pads and ponds. All inspection forms and checklists include the date of the inspection, the name of the inspector and observed deficiencies. The inspection records for the past 3 years are stored in binders in each of the plants and inspections that identify cyanide related deficiencies are tabbed for easy identification and reference. When a deficiency is identified that cannot be immediately corrected by the operator a Work Order is generated and tracked to completion.

In addition to the inspection procedures outlined above, BMM has implemented a preventative maintenance program for critical equipment. The preventative maintenance schedule provides a listing of the equipment along with the planned time for maintenance. The system is managed using JD Edwards© (JDE) software, which automatically produces preventative maintenance work orders on an established schedule. The system identifies future activities for regular preventative maintenance and includes information on the task requirements and completion. BMM continues conduct annual visual inspections and non-destructive ultrasonic testing (UT) as part of preventative maintenance of the cyanide storage tanks.

Management of Change (MOC) procedures are in place and have been utilized over the past three years. Prior to Kinross acquiring the site BMM utilized the Barrick Management of Change (MOC) Procedure. This procedure was replaced in October 2016 by a Kinross MOC Standard. This standard is an eight step process of initiation, appraisal, risk assessment, approval, implementation, verification, documentation and training. The MOC process requires approvals for various types of change, including requirements for safety manager and environmental manager approval. In addition BMM is also adopting the “KIT” MOC process. This process is applicable for review of Continual Improvement projects and involves review and approval of the project by appropriate department managers, including Health and Safety and Environment. For larger projects requiring capital and/or project funding Kinross‘s Authorizations for Expenditure (“AFE”) procedure is also in place. The procedure includes a formal environmental and health and safety review of the proposed project and sign-off by various management departments including the Vice President and General Manager, as well as Environmental, Safety, and other management representatives.

The heap leach pad and associated facilities are designed to operate year around with no planned closure due to seasonal weather conditions. However, the *Draft Closure Plans* for WPCP Permits address procedures that would be undertaken if temporary closure may be necessary due to events such as a failure of a major component, unforeseen significant weather event of a long-term power outage or if the operation needed a planned temporary

shutdown. In such situations monitoring of the process components, i.e., ponds, leak detection, solution levels, will continue at the frequencies required by the Permits.

Allowances for power outages are included in the design capacity of the ponds systems and process facilities. The pond systems are designed to contain the 100-year, 24-hour storm event, and 24 hours of drain down without overtopping. Therefore power failure is not anticipated to be a major concern. Nevertheless BMM also has emergency power generators at Process #2, Mooney Basin North, and Mooney Basin South, and in the event of a process facility power outage, generators located at each of the facilities will be brought on-line. The generators are tested weekly by the Process Department and are inspected and maintained on a quarterly schedule by a service contractor.

Standards of Practice

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

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 4.2.

Summarize the basis for this Finding/Deficiencies Identified:

The Standard of Practice is not applicable as BMM is a heap leach operation and does not employ milling technology operation. BMM is therefore in full compliance with Standard of Practice 4.2. .

Standards of Practice

4.3 Implement a comprehensive water management program to protect against unintentional releases.

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 4.3.

Summarize the basis for this Finding/Deficiencies Identified:

BMM has developed both a probabilistic water balance model that allows for simulations of variable climatic conditions and a deterministic model for the mine site tracking of operational conditions using Excel. The Excel based model was developed by Knight Piésold for the Process #2 and Mooney Basin North operations. A probabilistic model using GoldSim was developed by Golder Associates for the permitting and operation of the Mooney Basin South

and Deep South operations. The GoldSim model is currently used for managing the water balance of the Mooney Area operations while the Excel model is used for management of the Bald Mountain Area (Process #2 area).

The ponds are designed retain, in addition to normal maximum operating levels, a 25-year 24 hour design storm plus 24 hour drain-down of the leach pads as a result of power failure and maintain an available 2-foot freeboard. The ponds are also designed to withstand a 100-year, 24-hour event, plus 24 hour drain down without overtopping. The WPCPs require that BMM operate the facilities in accordance with these design operating criteria.

The water balance is used to maintain a zero discharge operation. Model input includes pad area and stacking data, metered data for heap leach application rates; makeup/freshwater flows, pond volumes transfer flows and pond elevation, retained moisture content factored on rock type, precipitation and evaporation data obtained from two site weather stations and pond capacities. The water balance is run monthly with updated information, and can address the uncertainty of precipitation for 10 year wet and dry cycles in addition to extreme events and power outage drawdown. Current operating procedures are considered adequate to prevent overtopping of ponds.

Standards of Practice

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

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 4.4.

Summarize the basis for this Finding/Deficiencies Identified:

The heap leach pads, collection channels and solution ponds are the only facilities in which open cyanide-bearing solutions occur with weak acid dissociable (WAD) cyanide concentrations greater than 50 mg/l. BMM has implemented measures to restrict access by wildlife and livestock to open solutions containing cyanide. Bird balls are used on all barren and pregnant solution ponds to prevent access by birds, and fencing is in place around the ponds to prevent wildlife access. Heap leach pad collection solution ditches are gravel filled or pregnant solution is conveyed in HDPE piping within the ditches.

At the time of the site audit; significant areas of solution in Pond 4 and the South Mooney Pond were not covered by bird balls and exposed to birds. BMM was aware of the situation and had placed an order several months previous to the audit for a supply of bird balls sufficient to adequately cover these ponds even when solutions were at maximum permitted elevations. Production backlog delays had delayed the delivery of the balls to the site. In the

interim BMM was minimizing the extent of open solution by maintaining the elevation of solution in these ponds to a minimum to reduce the surface area of solution and thereby maximize the cover and effectiveness provided by the existing bird balls. BMM indicated that this procedure provides adequate coverage to prevent access to birds. We understand that the situation observed at the time of the audit was temporary and attributed to recent high precipitation that resulted in high pond levels. Subsequent to the field component of the audit BMM received delivery of the bird balls and provided photographic evidence of their placement in Pond 4 and the South Mooney Pond. The balls now provide complete coverage of the ponds to prevent bird access to cyanide solutions.

BMM has a wildlife mortality monitoring program in place to monitor the effectiveness measures implemented to reduce wildlife access to cyanide solutions and all staff are trained in the monitoring and reporting requirements for wildlife mortality. IAPP permits require BMM conduct mortality monitoring and report all wildlife mortalities regardless of cause of death.

A review of wild life mortality records for 2014 through 2017 revealed there had been 48 mortality incidents recorded in the past three years; however, only two of these incidents were associated with process solution. The first related to two mule deer found dead on 1 March 2016 in Process Pond 7. Investigation revealed that the deer has gained access through a damaged area of fence. Repairs were immediately made to the fence. The second related to a red tailed hawk found on Leach Pad 4 on 27 July 2016 during ponding mitigation work.

The WPCPs specify maximum solution application rates to the heap leach pads. In general BMM applies solution to the pads using dripline emitters although sprinklers may be used in situations where there is an excess of water and a need to encourage evaporation. Procedures are in place to daily inspect the active pads and repair lines and eliminate ponding. BMM enhanced management of the leach pads in March 2015 by assigning a dedicated flow/ponding technician to manage flow application rates and mitigate ponding. A review of the active leach areas during the audit indicated that ponding and over spraying were effectively being prevented.

Standards of Practice

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

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 4.5.

Summarize the basis for this Finding/Deficiencies Identified:

This Standard of Practice is not applicable, as no perennial streams or other surface waters are located within the permitted area of the BMM site and there are no indirect discharges of cyanide-contacting water to the environment. This Standard of Practice is therefore in full compliance with the Code.

Standards of Practice

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

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

Summarize the basis for this Finding/Deficiencies Identified:

The BMM facilities are designed and operated as zero-discharge facilities. The project construction and operation include a number of seepage control technologies manage and monitor seepage to protect the beneficial use of groundwater. All tanks are provided with secondary containment that are designed to retain a minimum 110% of the capacity of the largest tank within the containment, and process ponds and heap leach pads and collection channels are provided with liners to prevent seepage and are designed to meet the requirements of Nevada Administrative Code (NAC) 445A.434.2(a).

The ponds and collection channels are equipped with leak collection and recovery systems (LCRS) to recover fugitive process solution that may escape the primary liner. Each LCRS consists of a 4-inch diameter perforated pipe surrounded by clean granular fill between the liner and the soil subbase that drains to a collection sump. As part of WPCP requirements the LCRS ports are monitored weekly and seepage exceeds permitted maximum daily flows or maximum average daily flows stipulated in the permits, BMM is required to investigate and repair. Monitoring results are reported to NDEP quarterly.

BMM is required to conduct groundwater monitoring in accordance with its WPCPs. The local groundwater system in the vicinity of the process areas is generally greater than 300 feet below the ground surface. There are six monitoring wells and four water wells in the vicinity of the Mooney Basin pads, ponds and process facilities and two water wells down gradient of the Process #2 pads, ponds and process facility. These wells are monitored quarterly for various constituents, including WAD cyanide. Review of monitoring results for the years 2014, 2015 and 2016 show that WAD cyanide has remained below the detection level of 0.01 mg/L in all wells. Groundwater use in the BMM operation area is protected for domestic, mining and milling uses, and the regulatory numerical standard established for groundwater protection is 0.2 mg/L WAD cyanide, for Primary and Secondary Drinking Water Standards. The monitoring results demonstrate that the operation has not exceeded the above referenced numerical

standard for WAD cyanide at the groundwater compliance points, and that the operation is protective of the designated "beneficial use" of groundwater.

Standards of Practice

4.7 Provide spill prevention or containment measures for process tanks and pipelines.

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

Summarize the basis for this Finding/Deficiencies Identified:

All cyanide storage and process tanks are located within concrete or lined secondary containments and offloading areas are on concrete pads to contain spills and prevent cyanide releases. The capacity of secondary containments to hold the volume of the largest tank within the containment and any piping flow back to the tank were assessed during the 2013 ICMC Recertification Audit and found to be adequate. There have been no facility changes or additions in the last three years to modify this conclusion.

BMM has procedures in place that will be implemented to prevent discharge to the environment of any cyanide solution or cyanide contaminated water that is collected in a secondary containment area. In addition to shift inspections to check integrity of pond and pad liners, maintenance conducts bi-weekly inspections of containment areas to check integrity and ensure capacities are not comprised by debris, solution or snow. In the event of a spill procedures require supervisors are notified and the spill to be immediately cleaned up. T Spill kits are available at each plant to address minor spills and the BMM Emergency Action is in place to address other situations. All cyanide solution collected in the sumps of the containment areas is pumped back into the process. In the event that spills occur outside of containments the impacted soil is excavated and placed on the heap leach pads.

BMM has constructed all pipelines with spill prevention and containment measures to collect leaks and prevent releases. All of the process pipelines outside of the plants and concrete containment areas are constructed over HDPE lined ditches or liner that drains to one of the process ponds. An exception are the two 8-inch diameter process lines that convey pregnant solution between the Mooney Deep South facilities to the Mooney South Plant for processing. These pipelines are double-walled, i.e., enclosed within 18-inch and 24-inch diameter welded HDPE pipe which provide spill containment. These pipelines were installed since the 2013 ICMI recertification in association with the commissioning of the Mooney Deep South facility.

BMM uses carbon steel and HDPE pipelines which are compatible materials for the conveyance of high pH, cyanide solutions, and slurries. All reagent piping has socket welded connections.

Standards of Practice

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

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 4.8.

Summarize the basis for this Finding/Deficiencies Identified:

QA/QC programs have been implemented during construction of all new cyanide facilities and modification to existing facilities conducted since the Initial Certification Audit. BMM has implemented QA/QC programs for all earthworks projects related to tank foundations, compacted subgrades and geomembrane liners for ponds and heap leach facilities. The available QA/QC reports include information on subgrade preparation, grading, soil liner material properties and compaction characteristics, leak detection construction, solution collection piping, geomembrane liner seams and testing. The reports include copies of the field inspection reports, lab and field data, construction observations, and photographs.

These reports cover the following facility construction and/or modification that has occurred in the last three years:

- Mooney Deep South Area Heap Leach Pad Project, Pad 5;
- Mooney South Area Heap Leach Pad, West Stormwater Diversion;
- Liner Repairs, Mooney Deep South Area Heap Leach Pad Project, Pad 5
- Pregnant Pond 6 (PP6) Overflow Spillway Improvements, Heap Leach Facility 2-5;
- Carbon Fines Handling at the Mooney South Process Plant;
- Process #2, Demolition Plan and Modifications;
- Leach Pad 5 Expansion;
- Expansion of Pond #4

The QA/QC documents indicate that the construction of the new and existing cyanide facilities was completed according to engineering standards and specifications. QA/QC reports have been verified by qualified engineering companies and include detailed QA/QC data collection and documentation. BMM maintains copies of all QA/QC documentation in its Engineering Department.

Standards of Practice

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

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

Summarize the basis for this Finding/Deficiencies Identified:

BMM has developed environmental monitoring programs to evaluate the performance of cyanide management systems on wildlife and groundwater quality. The environmental programs have been developed by appropriately qualified professionals, and reviewed and approved by NDEP. In 2015 the program was incorporated into a revised Water Monitoring and Management Plan that follows the format suggested by the Environmental Protection Agency (EPA). The Plan details all groundwater, surface water and leak detection monitoring points for the whole of the North and South Areas of the Bald Mountain property, groundwater well and piezometer construction, parameters requiring monitoring (including WAD cyanide and pH) and the frequency of monitoring and reporting. BMM also implemented a *Sampling and Analysis Plan* that provides standard operating procedures for monitoring and sampling, including records keeping, sample labelling, sample preservation and storage, field measurements, sample handling and shipping, equipment decontamination, chain of custody procedures and quality control procedures. The procedures are based on acceptable regulatory and industry standards and the Plan is updated as required under the supervision and approval of the Environmental Manager.

BMM documents sampling and field conditions in water-resistant field books. Information provided includes the name of the sampler, the sample location and identification, date, general conditions, equipment used, static water levels, pumping rate and start/stop times, gallons evacuated, well specifications, sample temperature, specific conductivity, pH and general remarks, including weather conditions and any problems or unusual situations encountered.

BMM does not discharge cyanide process waters to surface water and there are no surface water bodies down gradient in the proximity of the mine. BMM monitors groundwater in two water supply wells (Process #2) and six monitoring wells and four water supply wells (Mooney Basin) at annually, semi-annual or quarterly frequencies as required by the WPCPs. WAD cyanide results are included in reports to NDEP.

BMM inspects for and records wildlife mortalities on a daily basis as part of their inspection programs. When a mortality is identified an Incident Report is filed. BMM conducts monitoring at frequencies adequate to characterize the groundwater, leak detection systems,

wildlife, and process solutions. Groundwater samples are collected and analysed annually (Process #2) and quarterly (Mooney Basin). The leak detection systems are checked daily, pumped on a weekly basis, and reported as a daily average. Wildlife monitoring is continuous while employees are outside on the property. Process solutions are monitored for cyanide at least daily and in many cases several times per day for internal purposes. Because all employees are trained and tasked with wildlife observation there is effectively continuous monitoring at BMM. As a requirement of BMM's four Industrial Artificial Pond Permits quarterly Wildlife Mortality Reports are submitted to Nevada Department of Wildlife (NDOW).

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

Standards of Practice

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

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of 5.1.

Summarize the basis for this Finding/Deficiencies Identified:

As a condition of its Reclamation Permit with the State of Nevada, and in accordance with state and federal regulations governing the reclamation of mined lands, BMM submits a Reclamation Permit Application and Bond Cost Estimate for review and approval by the NDEP and the Bureau of Land Management (BLM), the federal land manager every three years or as required by changes in planned disturbances or operational modifications. The latest Reclamation Plan is Amendment #5. The application was submitted in December 2016 and the Plan was approved on 31 March 2017. The Reclamation Plan covers all disturbances related to the BMM's mining operations.

BMM has also prepared Closure Plans as a requirement of the two WPC Permits. These plans are reviewed and revised every 5 years as an integral part of the WPC permit reapplication process. The Closure Plans primarily focus on decommissioning and closure of the process plants and heap leach pads. The plans address temporary closure, seasonal closure and permanent closure. With regard to permanent closure existing facilities will be closed and reclaimed in accordance with the approved Reclamation Plan.

The Closure Plans contain a summary of closure measures planned for cyanide facilities as regulated by the WPCPs in sufficient detail to allow estimation of third party implementation

costs. As the actual commencement of closure and reclamation approaches, BMM is required to provide additional procedural details in the final Plan as necessary to fully implement closure obligations.

The Reclamation Plan presents a general project schedule that addresses approximate operational time frames, closure, reclamation, and post-mining monitoring for both the Bald Mountain (Process #2) and Mooney areas. The schedule includes process fluid stabilization for the heap leach facilities, as well as demolition and reclamation of the process facilities.

Standards of Practice

5.2 Establish an assurance mechanism capable of fully funding cyanide-related decommissioning activities.

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 5.2.

Summarize the basis for this Finding/Deficiencies Identified:

BMM has developed a cost estimate for the funding of third party implementation of the decommissioning activities assuming that the BLM completes the work. The estimate is derived using the most current version of the Standardized Reclamation Cost Estimator (SRCE), a cost estimating program developed by BLM and NDEP to prepare annual bond updates. The SRCE estimates are based upon a third-party government contractor performing the reclamation work and includes indirect costs for Engineering and Design, Contingency, Insurance, Performance Bond, Contractor Profit, Contract Administration, and BLM Indirect Costs.

The most recent reclamation cost estimate for the North Operations Area Project for Reclamation Permit 0025 (Case No. NVN-082888) is for modifications submitted in December 2016 and reviewed and approved by the NDEP and BLM in a Decision Letter from the BLM, dated 30 March 2017. The required revised Life-of-Mine bond amount is currently $126,540,732 for the Northern Operations Area. The Phase 1 required bond amount that covers all active mining operations is $99,612,583. This amount is held by the government in the form of two surety bonds.

As discussed in 5.1 BMM is required by NDEP and BLM regulations and their permit requirements to review and update the Reclamation Plan every three years or as required by changes in planned disturbances or operational modifications. The WPCPs are required to be updated every five years and the Closure Plans are updated as part of the permit renewal applications.

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

Standards of Practice

6.1 Identify potential cyanide exposure scenarios and take measures as necessary to eliminate, reduce and control them.

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 6.1.

Summarize the basis for this Finding/Deficiencies Identified:

BMM has implemented SOPs describing how cyanide related tasks should be performed. The documents address cyanide hazards, required PPE, special permits, proper tools and equipment in addition to training Requirements. Each of the SOPs outline the necessary PPE. Pre- and Post-Shift inspections are completed and documented for all cyanide processing areas to identify any potential issues. Process area inspection forms are filled out by both shifts. The completed inspection forms are reviewed and signed off by the area Supervisor. In addition, Basic Field Level Risk Assessments (FLRA) are conducted by each operator on each shift prior to beginning work. BMM improved their FLRA process in 2017 to include the use of a common booklet that provides employees with more information on how to conduct FLRAs and basics of workplace inspections and ways to control hazards.

A Cyanide Delivery Checklist is used for all cyanide deliveries. The checklist requires the operator to check the area to ensure eyewash and safety showers are in place and functioning, containment is clear and adequate, appropriate PPE is worn, and emergency equipment is available. Both the plant operator and the driver are required to check the tank levels before and after the delivery to ensure the tank has adequate freeboard levels of 72% or less. The process operator checks that the truck is adequately chocked prior to unloading and after unloading is complete the receiving valves are properly locked and any remaining residue is washed down completely. Both the driver and the plant operator then sign off that unloading is complete.

Cyanide is delivered as pre-mixed liquid solution, so mixing does not occur at Bald Mountain. The Mine incorporates the use of a Standard Job Plan for all routine work on cyanide related facilities and equipment. The plan incorporates identified hazards, methods of communication, referenced SOPs and Policies to review, and procedures to follow in the event of an emergency.

BMM has developed a decontamination procedure for non-routine maintenance such as repairing and replacing pumps, lines, and valves. The SOP requires workers to develop or

follow an existing Job Safety Analysis (JSA) prior to conducting the work and to treat all tanks, vessels, solution lines and piping as if they contain cyanide, know and understand sodium cyanide (NaCN) emergency response procedures, know the location of sodium cyanide (NaCN) emergency response equipment, and carry a functional radio at all times.

A Confined Space Entry Program is in place that provides detailed policies and procedures governing confined space work. The program defines types of confined spaces, where permits are required, and the roles and responsibilities of each person required to be involved in the work including the Entry Supervisor, Attendant, Entrant, Monitor, and Rescue Personnel.

BMM has a Change Management Policy and Procedure for the purpose of ensuring any changes are identified and evaluated for potential risks to worker health and safety, and appropriate actions are taken to ensure health and safety is not compromised.

Supervisors conduct and document weekly safety talks in each of the processing areas to include participation from leach pad crews. Documented safety talks include discussions around cyanide safety procedures in addition to any safety related hazards, near misses or accidents in the area. The meetings include the opportunity for employee questions or suggestions which are then documented at the bottom of the meeting report and further considered by the department Superintendent for any necessary changes or improvements.

Standards of Practice

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

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 6.2.

Summarize the basis for this Finding/Deficiencies Identified:

The pH at the process plants and leach pads is required to be maintained between 10 and 10.5 to prevent the generation of hydrogen cyanide gas and is monitored each shift for both pregnant and barren solutions, as well as the barren solutions to the leach pads. The levels are recorded in the daily shift reports and transferred to a spreadsheet where they are logged and tracked over time.

BMM utilizes both fixed station and personal air monitors to ensure employee exposure to hydrogen cyanide gas is limited. Altair Pro single gas personal monitors are used by the plant operators for the detection of hydrogen cyanide gas. A SOP is in place SOP that provides information about the Altair Pro personal gas detectors, the DS2 docking station, and the use of the detectors during a normal work shift. The SOP requires operators obtain a personal gas

monitor prior to entry into any cyanide containing area and to keep and maintain the monitor on their person at all times while working in the area. The docking station automatically calibrates and bump tests the meters. Fixed station monitors are also available in strategic areas of the processing plants. The fixed stations provide a visual alarm at 4.7 ppm and include visual and audible alarms at 10 ppm. Calibration records are maintained through the use of the DS-2 docking stations which stores the data for one year. Monthly calibrations are conducted for all of the station gas monitors. Each time calibration is conducted, the work order is signed off by the maintenance electrician and a sticker with the date of calibration is placed above the unit display. BMM was requested to provide pass/fail or actual instrument span data into the work order along with the step by step calibration procedure. After the site visit, a new work order was developed to include the procedural steps for calibration and actual calibration values and provided as evidence of compliance.

Precautions are taken to limit exposure under alarm conditions. First alarm at 4.0 ppm (permissible action level (PEL) of 4.7 ppm) HCN gas requires immediate notification to the crew lead or designate and a FLRA. All other personnel are evacuated and the crew lead has 10 minutes to assess and correct the problem provided levels remain below 10 ppm. At the second alarm of 10 ppm all personnel are evacuated and the Emergency Response team is dispatched to the area. Re-entry is authorized by the ERT and Mine Management only after the problem is fixed and safe levels are achieved.

A Hydrogen Cyanide Exposure Assessment was conducted in 2007 which included minimum, maximum and shift weighted average exposure data in each of the processing facilities. Areas for potential exposure were also documented on a map of the facilities. At the time of the audit, BMM had continued collecting the information but a documented update of the Exposure Assessment was not available. Subsequent to the site visit, BMM provided a documented update of the Exposure Assessment which includes the maximum and average concentrations from the HCN gas badge monitoring system.

Warning signs are visibly in place at the entrance to each cyanide facility and offloading area. Open flame, smoking, eating, and drinking are strictly prohibited in these areas. Signs are also included on the gate entrances and along fencing surrounding the process ponds.

All showers and eyewash stations are inspected monthly and those a offloading areas are tested prior to a cyanide offload. All showers and eyewash stations were checked during the audit and found to be in good working order. During the audit the site was requested to install two additional eyewash stations or to provide a documented risk assessment as evidence a splash hazard did not exist. BMM chose to install new eyewash stations at both locations and provided photographic evidence of the newly installed stations shortly after the site visit.

Dry chemical fire extinguishers are visually inspected monthly by each department and hydrostatically tested every 3 years. The Safety Department reviews the inspections and

maintains the documentation. No fire extinguishers were observed to be missing monthly inspections or otherwise in poor condition.

All reagent cyanide containing pipes are purple colour coded and include flow direction indicators. A piping colour code board and legend is on display upon the entrance to each of the process plants displaying all types of pipes containing various solutions and to help prevent a mistake or cross contamination issue. BMM utilizes 3E Software system to manage their material safety data sheets (SDS). All BMM employees are required to speak and read English. Information from the SDS and how to retrieve an SDS is included as part of the new employee orientation training. Access to all SDS are located online through the software system.

BMM has not had any cyanide exposure incidents since the previous audit. An Incident Reporting and Investigation Policy has been developed and implemented to ensure a proper investigation occurs in the event of an exposure or release.

Standards of Practice

6.3 Develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

The operation is:

- ■ in full compliance
- in substantial compliance
- † not in compliance…with Standard of Practice 6.3.

Summarize the basis for this Finding/Deficiencies Identified:

BMM has a Cyanide Emergency Response Plan (CERP) which forms part of the overall Emergency Action Plan (EAP). The CERP outlines detailed response activities for high level events related to sodium cyanide. The mine also has a dedicated and trained Emergency Response Team (ERT) capable of responding to cyanide related incidents and providing emergency medical assistance where necessary. All ERT members are trained in first aid and receive additional and specific training in order to respond to a worker exposed to cyanide. Emergency Response coverage is provided for all site crews on both shifts and two dedicated 24/7 ambulances are on site, one of which is capable and appropriately licensed to transport patients to any off-site care facility in Elko or Ely. The second ambulance is maintained primarily as a back-up and secondary emergency transport on site in the event both are needed. The CERP outlines the procedures necessary for transporting exposed workers off-site. The Northern Nevada Regional Hospital (NNRH) in Elko has consented to accept cyanide exposure patients as they also have reciprocal agreements with other mining organizations and cyanide transport companies.

Mock Emergency Response drills were conducted in May 2016 and again in March 2017. Both drills were reviewed by team captains and the Emergency response coordinators and lessons learned were distributed by the Coordinator. Based on the mock drills there was some additional training and awareness provided regarding communication during emergency scenarios.

Telephones and radios are used for communication inside the process plants. Radios have a dedicated emergency channel which is monitored by security and emergency response. Radios are also standard issue inside of each light vehicle. Each person with dedicated responsibilities related to cyanide or emergency response also carry cellular telephones.

Cyanide antidote kits are available at each of the offloading areas and cyanide processing facilities. The kits include a refrigerator which contains amyl nitrite ampules and a dual function pulmonary and manual resuscitator kit. All expiring components for kits including amyl nitrite ampules were inspected and none were found to be expired. Internal inspections of the kits are conducted monthly by Emergency Response personnel and each kit is given a new seal tag after an inspection.

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

Standards of Practice

7.1 Prepare detailed emergency response plans for potential cyanide releases.

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

Summarize the basis for this Finding/Deficiencies Identified:

In addition to the CERP the EAP includes a specific Hazmat Response Plan, Spill Contingency Plan, CHEMTREC Guidance for Responders, and a copy of Cyanco's Emergency Response Plan. The CERP includes scenarios for responding to **c**atastrophic release of hydrogen cyanide from storage or process facilities; transportation accidents; releases during unloading and mixing; releases during fires and explosions; pipe, valve and tank ruptures; overtopping of ponds and impoundments; power outages and pump failures; uncontrolled seepage; failure of cyanide treatment, destruction or recovery systems; failure of tailings impoundments, heap leach facilities and other cyanide facilities; and scenarios related specifically to HCN poisoning.

By means of their process for compliance with the Cyanide Code, and through their established agreements, Transwood are required to evaluate, document and monitor their established routes from the Winnemucca facility in Nevada. This evaluation considers risks

associated with the method of transportation through various communities and potentially environmentally sensitive areas. BMM has consulted with and have direct relationships with government officials and emergency medical providers in the towns of Ely, Elko, Eureka, Austin, and Spring Creek. In the event there is a potential exposure incident to the public or if county and state roads are affected then site command will contact the appropriate County Sheriff's Office and coordinate evacuation of local residents as well as road closures as required.

Standards of Practice

7.2 Involve site personnel and stakeholders in the planning process.

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 7.2.

Summarize the basis for this Finding/Deficiencies Identified:

Site personnel and stakeholders are included in the emergency planning process through a common umbrella within a Kinross Corporate Program for Awareness and Preparedness at the Local Level (APELL). This is governed by the Corporate Crisis Management Plan and considered in part with the United Nations Environmental Program, and the State of Nevada Comprehensive Emergency Management Plan (CEMP).

As part of the EAP, both local and outside agency contact information is maintained and reviewed on a quarterly basis. Some BMM Emergency Response crew members are also volunteer members of various local Hazmat or ambulance crews. In 2017 and at time of the audit the current Coordinator had attended the Local Emergency Planning Committee (LEPC) meetings with representatives from Elko, Ely, and Eureka to ensure response coordination and logistics remain in place and any necessary changes can be made to ensure the plan is up to date.

Standards of Practice

7.3 Designate appropriate personnel and commit necessary equipment and resources for emergency response.

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 7.3.

Summarize the basis for this Finding/Deficiencies Identified:

The ERT are trained and equipped to respond to medical emergencies, operations level for response to certain hazardous material emergencies, and fire emergencies up to containment and suppression efforts. The EAP and all associated procedures and plans are updated on an annual basis and documented review of the previous 3 years was provided as evidence. All emergency response equipment is inspected monthly and after every training exercise conducted. At a minimum, one trained and licensed Emergency Medical Technician is available on each shift. The EAP lists both primary and alternative coordinators, their responsibilities within the program and their contact information.

24-hour call-out procedures in the event of an emergency, including a cyanide related incident are outlined in the EAP and require all Mine Rescue personnel onsite to respond to the incident and request the site emergency response vehicle be taken to the incident location. The EAP includes an Incident Response Procedure that requires the Incident Commander to control the scene, call for additional site resources as needed, and notify the Management Team. Depending on the type and size of the emergency BMM may request the assistance of outside fire-service, ambulance, or medivac. The Manager of Safety is responsible for notifying the General Manager, the Operations Manager and other management as appropriate, and will consult with those individuals as necessary when requesting off-site response or assistance. The EAP contains contact information for the Mine Management Team, Regulatory Authorities and local emergency responders. In the event the incident requires transport of multiple patients off site, the first call is made to Elko County Emergency Dispatch. In the event Elko County cannot respond, White Pine and Eureka County Emergency Dispatch is summoned. The BMM Incident Commander remains in charge of the Incident until such time that an external regulatory agency or local Emergency Response assumes control.

BMM is a participant in the Local Emergency Planning Committee (LEPC) which includes representation from local emergency response services in Elko, Eureka, and White Pine Counties. Training exercises and mock drills related to exposure to cyanide and/or other hazardous materials have occurred within the past 2 years and have involved local emergency services of White Pine and Elko Counties.

Standards of Practice

7.4 Develop procedures for internal and external emergency notification and reporting.

The operation is:

- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 7.4.

Summarize the basis for this Finding/Deficiencies Identified:

The State of Nevada has regulations which establish the requirements for reporting to various agencies based on specifics of the emergency and BMM is obligated to notify the State of any accident involving a fatality, loss consciousness, or 24-hr hospitalization. In the event of an environmental emergency, which could include cyanide related releases, the Environmental Department is contacted immediately and any spill or release information is immediately reported to the Nevada Division of Environmental Protection (NDEP). In the event of an emergency that could not be solely handled by BMM and that may develop into a potential crisis with media involvement, the site would initiate the Kinross Corporate Crisis Management Plan which requires the involvement of several key Corporate Department heads.

The Northern Nevada Regional Hospital maintain a copy of the BMM EAP along with information for the Transportation Company and route for the transport of product.

Standards of Practice

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

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 7.5.

Summarize the basis for this Finding/Deficiencies Identified:

The mine is located in a region of low precipitation and there are no perennial surface water bodies in the proximity of the site and groundwater is generally encountered greater than 300 feet below ground surface. Remediation measures in the event of a cyanide spill would therefore ordinarily be limited to cleanup of contaminated soil. The EAP provides directions for responding to cyanide spills which include containing the spill using an earthen dyke or other means, neutralizing the solution and solids an with sodium hypochlorite, excavating contaminated soil and removing the soil to a leach pad, and conducting confirmatory sampling of the area to check that remediation meets the established criteria.The use of sodium hypochlorite as a treatment for sodium cyanide releases into any surface water body is prohibited.

Standards of Practice

7.6 Periodically evaluate response procedures and capabilities and revise them as needed.

The operation is:
- ■ in full compliance
- in substantial compliance

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not in compliance…with Standard of Practice 7.6.

Summarize the basis for this Finding/Deficiencies Identified:

Response plans are reviewed and updated on an annual basis by the Emergency Response Coordinator and the Safety Manager and updates are provided and approved by the Plant Manager. The EAP was most recently updated in March of 2017. BMM plans quarterly mock emergency drills and at least once per year is generally related to a cyanide incident. BMM has not had any cyanide related incidents since the previous audit; however, the site EAP includes the necessity to evaluate any emergency situation and implement lessons learned and also requires updating on an annual basis.

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

Standards of Practice

8.1 Train workers to understand the hazards associated with cyanide use.

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 8.1.

Summarize the basis for this Finding/Deficiencies Identified:

All personnel who may encounter cyanide are trained to recognize cyanide hazards during the new employee training process which begins the first full day of employment at the site. All employees who work in a cyanide area receive full cyanide awareness and cyanide safety training which includes hazards of cyanide; plant entry requirements and the prohibition of food, drinks, and smoking; HCN Gas alarm systems; emergency procedures and antidote kits; energy isolation (LO/TO) and pipe colour coding arrangements; and, how to conduct pre-shift inspections.

Cyanide hazard annual refresher training is conducted as per Mine Safety and Health Administration (MSHA) annual refresher training requirements. Employees are required to participate in the annual training in order to remain current with their site training status in accordance with MSHA.

All cyanide Training records in addition to MSHA 5000-23 forms are maintained by the Process Department in folders by area and employee name and are kept for the life of employment.

Standards of Practice

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

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 8.2.

Summarize the basis for this Finding/Deficiencies Identified:

In addition to Cyanide Safety and Cyanide Awareness training, cyanide related task training is provided for each specific operation area. The task specific training is conducted by supervisors or training staff that have significant experience in safely managing cyanide in the particular area and the task in which the training is being provided. Task training requires the use of a checklist where the employee and trainer initials against each particular component or task completed, and the checklist then signed-off by the Supervisor.

Cyanide Hazard Awareness and Cyanide Safety training requires the employee to successful pass an exam prior to being signed-off as competent. Refresher training is conducted on an annual basis and is an MSHA requirement. MSHA routinely audits refresher training programs to include the review of random individuals' current 5000-23 training forms signed by the trainer.

As noted in Section 8.1, all BMM training records are kept for the life of employment. MSHA requires a 5000-23 form with employees and trainers names, dates of training, and topics covered. The successfully completed exams and checklist forms provide documentation of understanding of the training materials.

Standards 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
- in substantial compliance
- not in compliance…with Standard of Practice 8.3.

Summarize the basis for this Finding/Deficiencies Identified:

A FLRA is required to be performed prior to any maintenance activity. Maintenance employees are also required to be competently trained in lock out/tag out (LO/TO) and Confined Space.

Since the previous audit, BMM combines all aspects of the risk assessment, confined space and LO/TO elements into a comprehensive Permit to Work System.

All BMM employees are trained in first aid and basic life support and there is at least one person per shift in each area, trained as an emergency responder. All emergency response personnel and coordinators are trained in aspects of cyanide safety in addition to the proper treatment of potentially cyanide poisoned persons and the appropriate response to containment and clean-up of both large and small spills. Annual training is provided on all cyanide related SOP's. Annual refresher training is provided for first aid and basic life support. ERT members receive monthly training with at least one training session per year devoted entirely to cyanide exposures and/or releases. BMM has conducted two emergency drills since the last recertification audit. The BMM Emergency Response Coordinator along with each lead crew member evaluate the emergency response drills in order to determine effective response.

***9. DIALOGUE* Engage in public consultation and disclosure**.

Standards of Practice

9.1 Provide stakeholders the opportunity to communicate issues of concern.

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

Summarize the basis for this Finding/Deficiencies Identified:

BMM has an outreach program that includes routine meetings with local county commissioners, local community education programs and public forums for discussion of local community concerns or requests for donations. A Key Stakeholder Interaction log was provided as evidence for 2017 which included the names, dates, and description of the contact activity for each key stakeholder. The list has over 200 names and contact information for local governments and municipalities, county officials, school districts, and key contractors each of which are assigned to a category based upon their importance, engagement, and level of support for the mine site.

Standards of Practice

9.2 Initiate dialogue describing cyanide management procedures and responsively address identified concerns.

The operation is: ■ in full compliance

in substantial compliance
not in compliance…with Standard of Practice 9.2.

Summarize the basis for this Finding/Deficiencies Identified:

The BMM outreach program includes county officials associated with Elko, Spring Creek, Eureka, and Ely and at the time of the audit the recently assigned Community Relations Officer was in the process of establishing future meetings or interactions with the key stakeholders in each of the local communities.

Standards of Practice

9.3 Make appropriate operational and environmental information regarding cyanide available to stakeholders.

The operation is:
- ■ in full compliance
- in substantial compliance
- not in compliance…with Standard of Practice 9.3.

Summarize the basis for this Finding/Deficiencies Identified:

BMM has a cyanide brochure that is provided for visitors including schools or other community tours of the mine site, and also in the event a member of the community or community official requests cyanide related information.

BMM has not had an exposure resulting in hospitalization or fatality, however in the event this would occur the Kinross Crisis Management Plan would be followed which would include a consistent and coordinated public release of information. Cyanide releases on or off the mine site are reported to the Nevada Division of Environmental Protection (NDEP) in addition to MSHA of which both make the appropriate information public.