ICMI Cyanide Code Gold Mining Recertification Audit

Summary Audit Report

Minera Penmont S. de R.L. de C.V – Noche Buena Mine

Sonora, Mexico

Submitted to:
The International Cyanide Management Institute
1400 I Street, NW – Suite 550
Washington, DC 20005
USA

2022 Audit Cycle

15929 Avenida Venusto, Apt. 225,
San Diego,
CA, 92128, USA
www.smartaccess.us

Table of Contents

Mining Operation: Noche Buena Mine

Mine Owner: Fresnillo Plc

Mine Operator: Minera Penmont S. de R.L de C.V

Name of Responsible Manager: Martin Rochin, General Manager

Address and Contact Information:
Minera Penmont S de R.L. de C.V.
Callejon Sin Nombre 209 Oeste Entre Ave. N y P
Col. Centro, C.P. 83600
Heroica Caborca, Sonora, Mexico
Email: mrochin@fresnilloplc.com.mx
Tel. + 52 637 373-2204

Location and description of the operation

The location of the Noche Buena mine is presented in the picture below.

The Noche Buena Mine Unit is located in the municipality of Caborca in the state of Sonora, northwest of Mexico. Specifically, it is located on the immediate land to the following ejidos (communities): Juan Alvarez, El Bajío, Cerro de La Herradura and Los Norteños. Noche Buena is a gold deposit that is mined as an open pit. The ore extracted from the pit is transported in haul trucks to the heap leach pads. 200 kg of lime is added to each haul truck before placing the ore on the leach pad. Additional lime is added on the leach pad using gondolas, if necessary.

Once the deposited ore generates a certain surface, the preparation of the drip irrigation system is carried out, which is known as cell preparation. Through this system, the ore is leached with a solution containing sodium cyanide, dissolving the gold and silver along with other metals present in the rock. It is worth mentioning that in this process it is possible to extract only a certain percentage of the gold and silver contents, this mainly due to the mineralogical characteristics of the ore, as well as the absence of an additional mechanical preparation of the ore.

By percolation, the leachate goes down and is collected by the geomembrane of the leach pad. This resulting solution with dissolved values of gold and silver is conducted by pipes to the process solution ponds. The solution obtained from the leach pad can have different denominations depending on the concentration of gold it presents, so when the concentration is relatively high it is known as "pregnant solution" and when the concentration is not so high it is called "intermediate solution".

From the process solution ponds, pregnant solution is pumped into the train of activated carbon columns. When the solution with dissolved gold and silver passes through the activated carbon bed in the columns, by means of a physicochemical process called adsorption, these metals are fixed to the surface of the activated carbon; in this way, the gold and silver that were present in the solution are partially removed, which are now contained in the activated carbon. For this operation, there are five tanks in series or "cascade" which each contain between 6 to 8 tons of activated carbon in the form of granules measuring between 1.6 and 3.5 millimeters, through which the solution flows in one direction, decreasing the concentration of gold when passing from one tank to another. The process leaves the gold concentration of the solution practically exhausted, that is, it removes almost entirely the gold that was in the original solution with an efficiency of up to 99.5%. The solution that comes out of the last column is sent to the barren solution tank where sodium cyanide is added to be pumped back to the leach pad and start the leaching process again.

After a certain time, the activated carbon adsorbs a certain amount of gold, and similarly to a sponge that absorbs water, at a given moment it becomes saturated and it is no longer possible to retain more water. The same happens with the carbon that adsorbs the gold and silver molecules, which in turn causes the efficiency to decrease gradually until it is determined that it is not feasible to continue processing solution with saturated carbon. It is at that moment that it is decided that the discharge of saturated or loaded activated carbon should be carried out, and new or sterile activated carbon replenished. Due to the arrangement of the columns train, the activated carbon that is first saturated is the one that receives the solution with the highest concentration of gold, in this case is column 1 as it is the one that receives the solution directly from the ponds. Column 2 is fed from the solution exiting from column 1, and under this same logic, column 3 is fed from column 2, column 4 from column 3 and column 5 from column 4.

The loaded activated carbon discharge operation consists of separating the activated carbon granules that are at the bottom of the column. For this, a vibratory screen is used so that all these solids containing the gold and silver values that have already been processed from the solution are collected. Once all the activated carbon has been discharged from column 1, it is necessary that the carbon found in the other columns moves one position in the circuit. For this, the carbon is pumped from one column to the previous one, that is, from column 2 to column 1, from column 3 to 2, from column 4 to 3 and from column 5 to 4. When the activated carbon has been transferred, new activated carbon is added to column 5. By performing these transfers, the adsorption efficiency is again sufficiently acceptable, starting a new processing cycle.

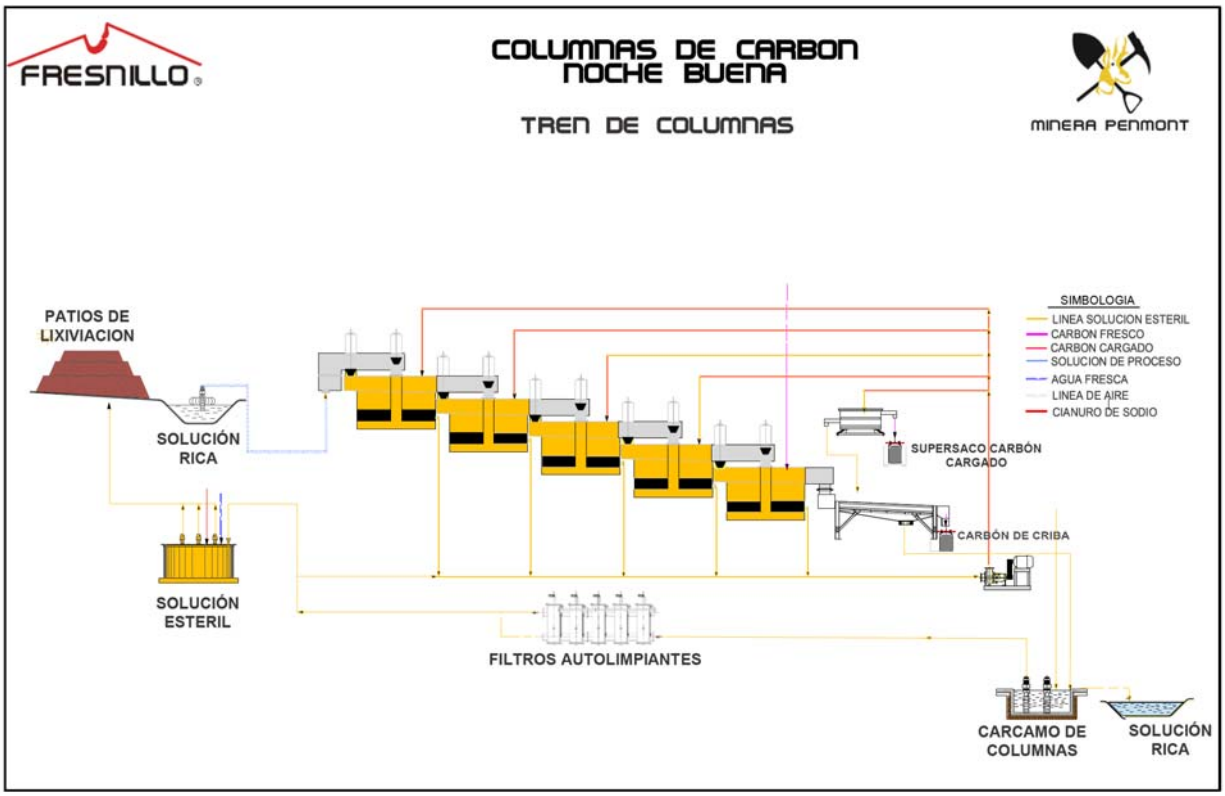
The scope of the recertification audit includes the following cyanide facilities: The heap leach pad (Stages 1-7), solution channels, two process solution ponds and two contingency ponds, the Carbon in Column (CIC) train, the barren solution tank, and the cyanide preparation area consisting of a dilution tank, a storage tank, and two dosification tanks.

The Merrill Crowe facilities are outside the scope of the audit as they were not in use for the recertification period. There are no cyanide treated water discharges at Noche Buena.

New facilities constructed since the 2019 recertification audit include the Carbon in Column (CIC) train, the expansion of the leach pad (Stages 7A and 7B) and expansion of contingency pond #1.

Sodium cyanide is transported to Noche Buena in solid briquettes in an 18-ton isotainer truck. The isotainer is connected to the cyanide mixing tanks, freshwater is added, and recirculated between the isotainer and the tank until the solid cyanide is completely dissolved.

The Noche Buena ore processing flowsheet is presented below:



Auditor's Finding

The International Cyanide Management Institute (ICMI) approved Audit Team verified that Noche Buena mine operation is in **FULL COMPLIANCE** with ICMI Cyanide Code requirements for Gold Mining operations.

This operation has not experienced any compliance issues during the previous three year audit cycle.

Noche Buena mine has experienced zero significant cyanide incidents during this 3-year recertification audit cycle.

This operation was determined to be in FULL COMPLIANCE with the International Cyanide Management Code.

Auditor's Attestation

Audit Company:	SmartAccEss Socio Environmental Consulting, LLC
Lead Auditor:	Luis (Tito) Campos E-mail: titocampos@smartaccess.us
Mining Technical Auditor:	Bruno Pizzorni
Date(s) of Audit:	September 13th – 16th, 2022

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 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 Institute for Mining Operations Verification Protocol and using standard and accepted practices for health, safety and environmental audits.

Noche Buena Mine Name of Operations	Signature of Lead Auditor	September 16th, 2022 Date

SUMMARY AUDIT REPORT

1. PRODUCTION AND PURCHASE: 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 certified 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

Discuss the basis for this Finding/Deficiencies Identified:

Noche Buena purchases cyanide to Covoro Mining Solution Mexicana, S de R.L. de C.V. that is a subsidiary of the cyanide producer Draslovka Mining Solutions (former The Chemours Company). During this recertification period the mine only used sodium cyanide from this producer. The purchases are made under an agreement between Draslovka and Minera Penmont S. de R.L. de C.V., the operator of Noche Buena.

Draslovka Mining Solutions acquired Chemours Mining Solutions on December 1, 2021. Therefore, most of the audit reports found on the cyanide code page within the Draslovka section still retain the name Chemours, which will gradually change to Draslovka with the new recertifications.

The contract for the supply and transportation of cyanide is current and valid until December 31, 2023. In occasion of the site audit, the auditors checked in the International Cyanide Management Institute (ICMI) website that Draslovka Mining Solutions (Draslovka) Memphis Plant certification in the International Cyanide Management Code (Cyanide Code) was current until January 20, 2023.

The auditors reviewed the purchasing contract with Draslovka, the purchase orders and shipping records covering the re-certification audit period, finding all in conformance.

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

Standards of Practice

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

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

Discuss the basis for the Finding/Deficiencies Identified:

The operation maintains the chain of custody records identifying all transporters and supply chains responsible transporting cyanide from the producer to the operation. The contract, purchase orders and shipping records for this recertification period were reviewed. Draslovka is the only supplier to the mine which is produced at the Draslovka´ s Memphis plant and is then transported by rail and truck to Draslovka Hermosillo Bag to Bulk Transloading Facility, and then to Noche Buena.

Chain of custody records were reviewed identifying each transporter and supply chain component that participate in transporting cyanide on the route from the producer to the operation, confirming that each of these parties is certified or is part of a certified supply chain.

The auditors reviewed the Chain of Custody from the Memphis, TN, USA Plant to Penmont in Caborca, Sonora, Mexico, which includes Noche Buena cyanide supply in isotankers. Draslovka' s sodium cyanide chain of custody for La Herradura, Noche Buena and Dynamic Leaching mines is as follows: Draslovka Flobins® and Ecopaks® are filled with sodium cyanide at Draslovka's plant in Memphis, Tennessee. These are accommodated inside the railway boxes and then their doors are closed and sealed. This filling operation is included in the certification of the cyanide code "Draslovka North American Solution Cyanide Production & Packaging Operation Re-Certification Audit". The re-certification audit can be found on the official cyanide code page. In the Draslovka Memphis Plant section. https://cyanidecode.org/sig-directory-type/draslovka-mining-solutions/

The Canadian National Railway (CN) takes custody of the railroad boxes at the Memphis plant and moves them to the main terminal where they are transferred to the Union Pacific Railroad (UP). The Canadian Railway was audited by an approved cyanide code auditor and is in full compliance. See the Draslovka US/Canada Rail & Barge Supply Chain section. https://cyanidecode.org/sig-directory-type/draslovka-mining-solutions-czech-republic-transportation-operations/

The Union Pacific Railroad (UP) transports the railroad boxes to the U.S./Mexico border of Nogales, Arizona. At the border, these are transferred to the Mexican railway company Ferromex. The Union Pacific Railroad was audited by an approved cyanide code auditor and is in full compliance. See the Draslovka US/Canada Rail & Barge Supply Chain section. https://cyanidecode.org/sig-directory-type/draslovka-mining-solutions-czech-republic-transportation-operations

Ferromex transports the railroad boxes from Nogales to Draslovka' S warehouse in Hermosillo, Sonora, Mexico. Ferromex has been audited in the cyanide code by an approved auditor, being in full compliance. See the Draslovka Mexico Supply Chain section. https://cyanidecode.org/sig-directory-type/draslovka-mining-solutions-czech-republic-transportation-operations/

Once in Hermosillo the Flobins® and Ecopaks® are used to fill the isotankers that will later be sent to the mine. The Draslovka plant in Hermosillo was audited by an approved cyanide code auditor and is in full compliance. See the Draslovka Hermosillo Bag to Bulk Transloading Facility section. https://cyanidecode.org/sig-directory-type/draslovka-mining-solutions/

Transportes Especializados Segutal S.A. de C.V. is the carrier that collects the isotankers from the Draslovka terminal and takes them to the mine. Segutal was audited by an approved cyanide code auditor, being in full compliance with it. See the Draslovka Mexico Supply Chain section. https://cyanidecode.org/sig-directory-type/draslovka-mining-solutions-czech-republic-transportation-operations/

This confirms that the chain of custody to Noche Buena mine is in full compliance with the Cyanide Code.

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, quality control/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

Discuss the basis for this Finding/Deficiencies Identified:

All unloading, mixing and storage facilities for reagent-strength cyanide at Noche Buena Process Plant, have been professionally designed and constructed. The evidence to demonstrate this requirement includes design specifications and as-built drawings stamped by certified professional engineers, as described in the previous ICMI audits reports, and found in compliance with the Code requirements. The design and construction drawings were reviewed and provided adequate detail to demonstrate that the unloading, storage and mixing facility were designed and constructed in accordance with sound and accepted engineering practices for these types of facilities.

In occasion of this recertification audit, the auditors confirmed Noche Buena maintains all construction records at the mine site, organized and filed for quick access and consultation. There have been no modifications to this facility since the previous certification audit. The auditors observed the reagents area to be in good conditions.

Noche Buena reagents area for cyanide unloading, mixing and storage facilities is located inside the fenced perimeter of the Process Plant, away from people and surface waters. There are no offices or areas where workers congregate near here. The nearest community (Ejido El Diamante) is located approximately 28 km southwest of the mine in a different basin. Surface water does not exist at and around the mine because of the extreme aridity of the Sonoran Desert. All surface water is ephemeral. There are no perennial surface water sources, such as springs, streams, rivers or lakes nearby.

Noche Buena offloads the isotankers on a concrete ramp that minimizes the potential for seepage to the subsurface. The concrete surfaces for the offloading and high-strength tanks have not changed since the initial certification audit and therefore those findings are still valid. The entire cyanide offload area is constructed of reinforced concrete slab-on-grade (i.e., pad, curbs, parapets, footings and tank foundations), which provides a competent barrier to seepage. The concrete area was in good condition at the time of this onsite verification audit.

Noche Buena has developed a procedure that prescribes the level control and alarm settings in the high-strength cyanide tanks to prevent overfilling. All of the high-strength cyanide tanks have level sensors that report to the control room and are set at 85 and 90 percent for high and high-high alarms, respectively. The instrumentation staff have maintained the sensors monthly throughout the recertification period, as indicated in a maintenance history from the MAXIMO software. The auditors also observed the control room screens that showed the sensors were functioning.

There have been no modifications to the cyanide mixing and storage tanks at this Plant since the last certification audit. The cyanide mixing tank, the storage tank and the distribution tank are located on a solid pedestal of reinforced concrete, which is part of the concrete floor of the entire offloading area. These tanks are built on a metal grate over the solid concrete floor of the

secondary containment. The auditors observed that all of these concrete foundations and containments were in good condition.

Noche Buena has installed the high-strength tanks within concrete secondary containments that provide a competent barrier to leakage. These concrete containments have not changed since the initial certification audit and therefore those findings are still valid. The dissolution, dilution, second dilution (not in use), and storage tanks are located within a single secondary containment, while the two dosification tanks are in their own secondary containment. The auditors observed these concrete containments to be in good condition.

Noche Buena does not store solid sodium cyanide. Isotankers arrive, offload, and leave the same day. After offloading, high-strength cyanide is stored in outside tanks with adequate ventilation to prevent the build-up of HCN gas. The cyanide offloading area is located within the mine property with full-time security and then within the fenced and gated plant area, also with full-time security. Signs prohibiting unauthorized entry are posted.

The dissolution, dilution, second dilution, and storage tanks are within their own secondary containment. No incompatible materials is near them. The high-strength cyanide is stored separately from incompatible materials, such as acids, strong oxidizers and explosives and apart from foods, animal feeds, and tobacco products such that their flow paths do not commingle with those of other containments. The two cyanide dosification tanks are located separate from incompatible materials with appropriate barriers, as necessary, to prevent mixing.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

.

Discuss the basis for this Finding/Deficiencies Identified:

Empty isotankers are returned to the Hermosillo Bag to Bulk Transloading Facility to repeat the transloading operation, preventing therefore re-use for any purpose other than holding cyanide.

Noche Buena does not receive cyanide in drums, plastic bags or liners, therefore, the requirement of this Standard of Practice to rinse, decontaminate and properly dispose of empty containers in the environment does not apply. In the same way, does not apply the requirement of this Standard to crush empty cyanide drums prior to disposal in a landfill and burn or otherwise dispose of empty wooden crates in an environmentally sound manner. Noche Buena only receives solid cyanide in isotankers that are returned to the supplier after offloading.

Noche Buena has implemented the Operating Procedure PO-PL 19 Cyanide Discharge from Isotanker. The procedure preparation requires that the upper part of the isotanker be rinsed with water after an offload is complete, also the valves to be closed followed by a check to ensure the

isotanker is no longer pressurized. The auditors confirmed this is being done by field interviews with personnel responsible for performing this task. The auditors observed the initial portion of an offload event at the reagent area. A copy of the completed checklist was obtained and reviewed following the offload to verify that the checklists were completed according to the procedure.

For unloading and mixing activities Noche Buena has written procedures as well as evidence that these procedures are being implemented. Procedures for these tasks are Standard Operating Procedures, training documents and checklists. Implementation of these procedures was verified by observation and interviews with the personnel responsible for performing these tasks.

The procedure for cyanide preparation (Cyanide Discharge from Isotanker), contains detailed steps for operating the valves, couplings, and pumps on the dilution tank and the isotanker. The procedure is accompanied by a checklist where any need for maintenance of hoses, valves and couplings will be detected and that is co-signed by the isotank driver and the mine operator. The auditors reviewed examples of the completed checklist and observed an offload during the site visit to verify compliance.

The requirement of this Standard of Practice regarding developing procedures to prevent handling cyanide containers without rupturing or puncturing, do not apply as isotankers are not handled. In the same way does not apply the requirement to limiting the height of stacking of cyanide containers as isotankers are not stacked.

The procedures for spills of solid cyanide or cyanide solutions require timely cleanup of cyanide spills during offloading.

The procedure for cyanide preparation requires the use of personal protective equipment (PPE) consisting of face shield over safety glasses, hard hat, respirator, Tychem suit, steel-toe rubber boots, and rubber gloves. Other required equipment includes a harness for working at heights, radio, and portable HCN monitor. The isotanker offloads are observed by a second operator from inside an adjacent observation room.

Draslovka adds red dye to the isotanker at the time briquettes are loaded into the isotanker. Noche Buena has therefore adopted the practice of dying the cyanide solution for ease of identification. The resultant high-strength cyanide solution contains colorant dye at a concentration which provides for clear visual identification and clear differentiation from other solutions or rainwater that may be present.

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

Discuss the basis for the Finding/Deficiencies Identified:

The scope of the recertification audit includes the following cyanide facilities: the cyanide preparation area consisting of a dilution tank, a storage tank, and two dosification tanks, the heap leach pad (Stages 1-7), solution channels, two process solution ponds and two contingency ponds, the carbon in column (CIC) plant which began operation ending year 2019, the barren solution tank, all the associated pipelines, pumps, valves, and appurtenances, run-on diversion channels. The Merrill Crowe facility was not operating in occasion of the audit since it gradually ceased to operate as the CIC system became operational.

Noche Buena has implemented management systems relevant to cyanide and/or safety and environmental management with the goal of preventing or controlling releases to the environment and exposures to the workers and communities as International Standards Organization (ISO) 14001 Environmental management certification, ISO 45001 Occupational Health and safety management systems certification and Clean Industry program.

The auditors reviewed the Health, Safety, Environment and Community Relations System Manual (SSMARC) date from July 2022, also the MAXIMO software for equipment preventive and reactive maintenance system, the mine emergency response plans and Standard Operational Procedures (SOP), interviewed the plant operators, maintenance and environmental personnel and supervisors, demonstrating the operation understands how to manage cyanide in a manner that prevents releases to the environment and exposures to workers and the community.

The mine process flow diagrams, engineering designs and drawings, operating plans and Standard Operating Procedures (SOP), identify the assumptions and parameters on which the design was based, as well as applicable regulatory requirements related to prevention of cyanide releases and exposures, allowing the operation to operate according to specific plans. Major parameters included in the operating plans and procedures are:

- High-strength cyanide: minimum pH of 10.2 and final strength of 20 to 30 percent cyanide.
- Heap Leach Facility (HLF): pH greater than 10 in barren solution, an application rate of 6 - 10 liters per hour per square meter (l/h/m2), and a free cyanide concentration of 180 to 230 mg/l in barren solution after additional dosing.
- Plant cyanide: minimum pH of 7 in pregnant solution returning from the HFL and 30 to 70 mg/l free cyanide in barren solution before additional dosing.
- Ponds: Pregnant and Intermediate Ponds to operate at approximately 75 percent of capacity. Contingency Ponds 1 and 2 with operating freeboard of 0.8 and 1 m, respectively.
- Carbon in columns train: 8 tons of carbon per column, for pregnant solution containing 20% to 30% of solids to avoid pipes obstruction.

Plans and procedures were reviewed during the audit including SOP for PO-PL-19 Cyanide Discharge from Isotanker, SOPs for the carbon columns train, Engineering Design Report for the carbon columns, and the Engineering Design Report for Phase 7 of the heap leach pad. Interviews were held with personnel responsible for the operation and maintenance of the facility. Personnel showed good awareness of program requirements.

The operation's SOPs address the aspects of the operation that are necessary for protection of workers, communities and the environment. Specific items addressed in the procedures include water management procedures, such as how and when the heap leach facilities (HLF) solutions must be managed to retain the ponds design storage capacity, inspection programs for process tanks, pipelines, ponds and HLF. The preventive maintenance program for critical equipment are work orders produced automatically by the software MAXIMO.

Noche Buena has developed and implemented inspection and preventive maintenance programs for all the cyanide. Inspections are conducted on a daily to monthly basis depending on the facility and type of inspection. MAXIMO software allows the mine to identify equipment maintenance needs and assign responsibilities, scheduling and tracking the completion of the maintenance activities and repairs. Noche Buena reviews and updates its SOPs every two years. The auditors reviewed the following set of SOPs and plans to verify compliance.

- PO PL 02 Emergency in Contingency Ponds
- PO PL 03 ISO Container Solid NaCN Spill Cleaning
- PO PL 05 Installation of HDPE (High Density Polyethylene) Pipes
- PO PL 07 Leach Pad Irrigation
- PO PL 09 Preparation and Cleaning of Cyanide Installations for Maintenance
- PO PL 10 Procedure for Entering or Performing Work in Confined Spaces in Plant
- PO PL 11 Leak Prevention in Leaching Yards
- PO PL 12 Cyanide and Cyanide Solution Management
- PO PL 13 pH Monitoring in Leaching Yard Runoff
- PO PL 14 Sampling and Determination of Free Cyanide in Leaching Plant and Yards
- PO PL 15 Inspections for Various Monitoring in Plant and Animal Mortality
- PO PL 17 Cyanide Solution Spill Care

- PO PL 19 NaCN Discharge in ISO Container
- PO PL 37 Filtration of Carbon Fines in Columns
- PO PL 38 Movement of Coal between Columns
- PO PL 39 Transfer of Coal to Super Sacks
- PO PL 40 Operation Adsorption Circuits Coal Columns
- PO PL 41 Operational Sampling in Coal Columns
- PO PL 44 Super Bag Conditioned Coal Storage
- PO PL 45 Carbon Fine Pressing
- PO PL 46 Conditioning of Coal in Columns
- PO PL 47 Coal Screening in Columns
- PO PL 48 Start-up and Shutdown of CIC Plant
- PO PL 49 Coal Shipping Sampling
- PO SM 03 Cyanide Intoxicated Worker Management Procedure
- P5 HE 07 A01 Contingency Plan Tank Tests 2021
- PO M A 86 Change of Vertical Pumps
- PS HE 07 Emergency Preparedness and Response
- PS HE 10 Incident Procedure
- Procedure for Identification and Evaluation of Environmental Aspects, Dangers, and Risks and Establishment of Control Criteria
- Program for Sampling and Monitoring 2022
- Weekly Maintenance Program

Noche Buena has implemented a written procedure for management of change. The procedure covers environmental and safety aspects and includes a form that must be filled out by the initiator and then approved by the safety and environmental department. The form has fields for risk identification and evaluation, applicable legislation, required permits, work instructions, operational controls, emergency responses, training, and others. To verify compliance, the auditors reviewed completed Management of Change (MOC) records for cyanide - related changes during the recertification period that were signed by process and health, safety, and environmental personnel. Examples of MOCs performed during this certification period:

- Change of process in the Noche Buena plant. The Merrill Crowe plant makes a modification in its operation incorporating the CIC plant in which it eliminates the areas incorporated to Merrill Crowe by adding five columns of activated carbon and the derivations that this modification entails in its operational infrastructure.
- Stage 7 of the Leaching Yard and Pool Extension No. 1 of Contingency.

The operation’s management system includes contingency plans for non-standard operating situations. These include measures to be taken in response to problems identified by facility monitoring or inspection, and temporary closure or cessation of operations due to situations such as work stoppages, lack of essential materials, economics, civil unrest, or legal or regulatory actions. Contingency actions are included in the operating plans and in the SOPs. The

operation's planned responses to the potential issues are addressed among other procedures, in Appendix PS-HE-07-A01 Contingency Plan for Minera Penmont of the procedure for preparation and response to emergencies.

For a scenario where an upset in the operational water balance that presents a risk of exceeding the design containment capacity, the procedure PO-PL-02 Emergency in Contingency Ponds addresses the measures to be taken when the Intermediate Pond overflows to the Contingency Ponds, and if the Contingency Ponds spill to natural ground.

For problems identified by facility monitoring or inspection, the procedure PO-PL-07 Leach Pad Irrigation contains a section that addresses upset conditions such as slope failure, pipeline breaks, and spills from pipeline secondary containment. Procedure PO-PL-17 Attention to Cyanide Solution Spills addresses the immediate response to a spill, cleanup measures for impacted soil, confirmation sampling, and completion reporting.

The procedure PO PL 48 Start-up and Shutdown of CIC Plant addresses scheduled and unscheduled shutdowns at the plant, as well as equipment failures (e.g., pumps, valves, pipelines), including temporary closure or cessation of operations due to situations such as lack of ore or other essential materials, economics, civil unrest, or legal or regulatory actions. This procedure also addresses temporary shutdown of the plant, process ponds.. This procedure addresses the ongoing safe management of cyanide and encompass all activities necessary for cyanide safety and environmental protection. It considers cases for the Plant scheduled stoppages due to maintenance or change of equipment and maintenance of the electrical substation, for which it has been established to reduce the supply of pregnant solution to the plant gradually, until complete stop of solution pumping. It also considers and details specific actions for cases of the Plant unscheduled stoppages that can occur for different reasons such as power outages, low level in the solution ponds, equipment failure and rupture of lines or tanks with spills, among others. During all cases of Plant stoppages, the runoff from the HLF is directed to the pregnant solution pond and in the remote case that it is filled, there is an intermediate solution pond and two interconnected contingency ponds. This case is described in the procedure PO-PL-02 "Emergency in Contingency Ponds".

The procedure Start-up and Shutdown of CIC Plant also address how cyanide would be safely managed during potentially longer duration shutdowns, for example as might occur due to situations such as work stoppages, lack of ore or other essential materials, economics, civil unrest, legal or regulatory actions, among others.

The operation inspects diverse cyanide installations to confirm their integrity. Inspection forms direct the inspector to evaluate specific items providing sufficient detail regarding what to look for or what condition is acceptable. Noche Buena has completed the following inspections specific to unloading, storage, mixing and process areas:

Tanks holding cyanide solutions for structural integrity and signs of corrosion and leakage. The high-strength cyanide tanks, barren tank, and other tanks have been visually inspected for

structural integrity and signs of corrosion and leakage on a monthly basis using Form PO-PL-15-R01. Corporate staff have completed ultrasonic testing of shell thickness for high- strength cyanide tanks and process tanks/vessels annually and have determined they are suitable for continued use.

Secondary containments provided for tanks and pipelines for physical integrity, the presence of fluids and available capacity, and to ensure that any drains are closed and, if necessary, locked, to prevent accidental releases to the environment. Secondary containments have been visually inspected for signs of solution or precipitates, cracks, unsealed joints, and debris on a monthly basis using Form PO-PL-15-R01. None of the secondary containments have drains to the environment.

Leak detection and collection systems at leach pads and ponds, are inspected as required in the design documents The HLF, Pregnant Pond, and Intermediate Pond have been inspected on a weekly basis for the presence of solution using Form PO-PL-15-R05. If solution is present, it has been pumped back to the source and the duration of pumping noted on the form.

Pipelines, pumps and valves at the plant have been inspected for deterioration and leakage on monthly basis using Form PO-PL-15-R01. Pipelines, pumps, and valves at the HLF have been inspected on daily basis for similar items using Form PO-PL-15-R02.

Ponds and impoundments have been inspected for the parameters identified in their design documents as critical to their containment of cyanide and solutions and maintenance of the water balance, such as available freeboard and integrity of surface water diversions. Ponds have been inspected for condition on a daily basis using Form PO-PL-15-R04. The Pregnant, Intermediate, and Contingency Pond 1 are equipped with level sensors that report to the control room; water level in Contingency Pond 2 is monitored visually.

Noche Buena has inspected the cyanide facilities on a regular frequency. In accordance with the written procedure for inspections and monitoring, Noche Buena has conducted inspections on a daily, weekly, monthly, and per event basis. These inspections are summarized below:

- Monthly: the plant staff have inspected the cyanide- related tanks and associated secondary containments, pipes, and pumps, using the Form PO-PL-15-R01.
- Daily: the leach staff have inspected the HLF, pipelines, perimeter berms, channels, and irrigation system using Form PO-PL-15-R02.
- Daily: the plant staff have inspected the showers and eyewashes using Form PO-PL-15-R03.
- Daily: the plant staff have inspected the ponds and plant for condition and wildlife mortality using Form PO-PL-15-R04.
- Weekly: the plant staff have inspected the Leak Detection and Removal System (LCRS) for the HLF, Pregnant Pond, and Intermediate Pond using Form PO-PL-15-R05.
- Per event: the plant staff have inspected the isotanker offloading facility and the isotanker before an offload using the Form PO-PL-19-R01.

In accordance with the professional opinion of the auditor, the operation inspects its facilities with the appropriate frequency. sufficient to assure and document that they are functioning within design parameters.

The auditors conducted field inspections during the site visit and verified the condition of tanks, secondary containments, pipelines, pumps and valves. These inspections also included cyanide unloading, mixing and storage facilities.

Noche Buena has documented the inspections and retained the forms that contain the date, inspector name, check boxes for a list of specific items, and extra lines for observations regarding the non-conforming conditions. Corrective actions noted during the inspections are reported to the maintenance department for scheduling and completion, as documented in the maintenance histories available in the MAXIMO software. The ultimate evidence that the inspections have been effective was the excellent condition of the facilities, as observed by the auditors.

The operation has a preventive maintenance program for its cyanide facilities where a failure can result in a cyanide release or exposure. These activities are scheduled with the MAXIMO software and documented, along with the basis for the maintenance frequency, such as hours of operation and set time periods between maintenance.

The software schedules maintenance according to the following classifications: preventative, unprogrammed, corrective, and basic. The basic classification consists of daily area inspections by maintenance staff. The workflow is based on the potential for harm or contamination using a four-tier system, where cyanide-related repairs are immediate.

The auditors reviewed maintenance histories from five randomly selected pieces of cyanide-related equipment to verify compliance. Also observed that Noche Buena has lists of standby pumps in the field, reserve pumps in the warehouse, and critical spare parts in the warehouse. The auditors reviewed maintenance histories for randomly selected equipment related to cyanide to verify compliance. The auditors also reviewed maintenance histories for the fixed cyanide monitors, pH monitors, and selected tank level sensors to verify compliance.

Noche Buena receives electrical power via a powerline from a substation located approximately 20 km from the site. This substation in turn is fed by federal powerlines from two directions (i.e., Caborca and Puerto Peñasco, Sonora), providing a degree of redundancy in the power supply. The operation have necessary emergency power resources to operate pumps and other equipment to prevent unintentional releases and exposures in the event its primary source of power is interrupted.

Noche Buena has four portable generators near the plant as backup resources to prevent unintentional releases and exposures during power outages. The two larger portable generators (175 and 125 kilowatts [kw]) are adequate to run the pumps from the ponds or plant to the HLF. Two other small portable generators of 20 kw each are also available, as well as a portable diesel

pump. Startup testing and maintenance have been performed every two weeks, as documented in maintenance histories from the MAXIMO software.

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

Discuss the basis for this Finding/Deficiencies Identified:

Noche Buena does not have a mill or tailings storage facility.

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

Discuss the basis for the Finding/Deficiencies Identified:

The auditors confirmed that the operation has prepared and implemented a water balance that it has reasonably considered the appropriate factors, and that the site implements the necessary practices to maintain the balance on an ongoing basis to prevent overtopping of the ponds.

Noche Buena has commissioned a consultant to develop a comprehensive and probabilistic water balance for the HLF. The water balance has been developed as an Excel spreadsheet with a monthly time step; input data are updated monthly. The model is comprehensive in that it includes all phases of the HLF through Cell 2 of Phase 7; the Pregnant and Intermediate Ponds; Contingency Pond 1; and the expanded Contingency Pond 2. It is also comprehensive in that it includes the leach application rates, precipitation, evaporation, pond stage-storage curves, and other inputs as appropriate. The model is probabilistic in that it has scenarios for the normal year plus a 100-year 24-hour storm and a wet year plus a 100-year 24-hour storm.

The fundamentals of the water balance have not changed since the last certification audit because the operating conditions have not changed. However, Noche Buena does update the model using on-site meteorological data. The model considers the following as appropriate for the facilities and the environment.

a) The rates at which solutions are applied to leach pads is 10 l/h/m2. This operation does not have tailings storage facilities.

b) A 100-year 24-hour duration design storm of 185.4 mm that provides a sufficient degree of probability that overtopping is prevented during the operational life of the facility.

c) The longest periods of record for precipitation and evaporation are available from the government weather stations at Quitiovac (43 km away) and Sonoita (94 km away). These stations are sufficiently close, at similar elevations, and of similar topography to represent site conditions, providing quality precipitation and evaporation data in representing actual site conditions.

d) The water balance does not consider the amount of precipitation entering the ponds resulting from surface run-on from any upgradient watershed, as the perimeter of the HLF is raised above existing ground and channels along the north and east sides divert run-on around the facility such that no precipitation enters from upgradient watersheds.

e) Freeze-thaw is inapplicable in the hot, dry climate of the Sonoran Desert.

f) Evaporative losses are considered for both active and inactive cells, as well as for application by drip irrigation. Wetting of newly placed ore is also included as a loss. There are no losses due to decant, drainage and recycling systems, seepage to the subsurface, or discharges to surface water.

g) The model recalculates the available volumes in the process ponds and the time to overtopping during pump or power failures. The duration to overtopping with the 100-year 24-hour storm superimposed on actual conditions was 46-55 hours in 2016; 43-55 hours in 2017; 37-43 hours in 2018; and 30 hours in January and February of 2019. These durations allow a reasonable amount of time to re-establish power or fix pumps.

h) There are no discharges to surface water from treatment, destruction or regeneration systems.

No other aspects of facility design that could affect the water balance were identified. Groundwater is deep and, in any case, the HLF and ponds are geomembrane lined.

Noche Buena has designed and operates the process ponds with adequate freeboard above the design storage capacity. The Pregnant and Intermediate ponds automatically overflow through spillways to the Contingency Ponds, and therefore freeboard is most applicable to the Contingency Ponds.

Contingency Pond 1 is operated with 0.8 m of freeboard and Contingency Pond 2 with 1.0 m of freeboard. A time series of the water levels during the hurricane of October 2018 showed that Contingency Pond 1 was 5 percent full during this actual extreme event.

Inspections and monitoring activities necessary to ensure that the operation follows its water balance have been included in its operating plans. This include items such as monitoring of the freeboard in the ponds and inspecting surface water diversion structures for run-on. Verification was based on a review of the facility's operating plans and procedures and inspection records verifying inspection and monitoring activities are being conducted. The water balance is updated monthly based on current precipitation and evaporation data.

The operation measures precipitation at the site and routinely compare it to the design assumptions used to develop the water balance model. The operation monitors on-site precipitation. The operation provided monitoring records for the auditor's review.

Noche Buena has commissioned a consultant to review precipitation records and compare them to the design assumptions. The 100-year 24-hour design storm of 116 mm assumed in 2016 for the design of Phase 5 of the HLF was revised upwards to 185.4 mm for use in the current water balance. The 100-year 24-hour design storm of 112 mm assumed in 2016-2018 for the design of Phases 6A and 6B of the HLF was also revised upwards to 185.4 mm for use in the current water balance. The higher precipitation value by approximately 35 percent has been used to estimate the time to overtopping during pump or power failures, showing that water management practices have been revised as necessary.

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

Discuss the basis for the Finding/Deficiencies Identified:

The operation has implemented measures to restrict access of wildlife and livestock to the process ponds, although WAD (Weak Acid Dissociable) cyanide is well below 50 mg/l, installing a chain link fence topped by razor wire surrounding the process plant. Also has installed un-barbed fence with wire mesh at the bottom at the channel lined with a layer of HDPE (High Density Polyethylene) through which the water from the HLF Phase 4 drains to the ponds. This channel acts also as a secondary containment for the pipelines draining from the HLF.

Noche Buena provided internal and external analytical data showing the open water in the ponds did not have concentrations exceeding 50 mg/l during the recertification audit period. An external laboratory, ALS, samples water on a monthly basis and analyzes it for free, WAD, and total cyanide. The mine staff also collects water samples weekly for analysis of WAD cyanide by titration tests in the mine internal laboratory. Both sets of data consistently showed WAD cyanide concentrations bellow 50 mg/l. ALS data showed that WAD cyanide concentrations ranged from approximately 0.4 to 15- 20 mg/l in the pregnant solution present in the ponds and plant.

Noche Buena has prevented significant wildlife mortality in the open waters at the process ponds by maintaining WAD cyanide concentrations less than 50 mg/l. The mine inspects them daily for wildlife mortality. Based on daily inspections completed according to a written procedure, there were no wildlife mortalities during the recertification period. This was confirmed by reviewing the monthly summaries of safety and environmental incidents for that same period. The auditors concluded that the measures to restrict wildlife, cattle, and birds are effective in preventing mortalities.

Noche Buena has developed and implemented written procedures to avoid significant ponding and limit overspray: PO PL 05 Installation of HDPE Pipes, PO PL 07 Leach Pad Irrigation, PO and PL 11 Leak Prevention in Leaching Pads. Noche Buena uses drip irrigation on the HLF, with a few low- profile sprinklers on the interior side slopes of Cell 7B.

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

Discuss the basis for the Finding/Deficiencies Identified:

Noche Buena does not have any direct discharges to surface water due to the extreme aridity at the site. The operation does not monitor for cyanide in surface water downgradient as there are no direct discharges to surface water. Noche Buena does not have any indirect discharges to surface water.

According to the Nochebuena Project Environmental Impact Manifest (MIA), the climate of the site is very dry desert with an average annual rainfall close to 100 mm. The main watercourse of the region corresponds to the Arroyo El Coyote (approximately 20 km to the south) and the Gulf of California to the west (approx. 36 km). All runoff from the region and the site correspond to seasonal, ephemeral streams that only present a measurable flow during rainfall events. In the project area, located within the Altar Desert basin, there are no bodies of water that can be contaminated. Given the conditions of high permeability (sandy soils), all the rainwater infiltrates the subsoil. Virtually all water captured by the site is infiltrated in situ and ex situ runoff is reduced due to high soil permeability, short periods of rainfall and low rainfall from the desert environment.

The hydrographic network is represented by a group of intermittent streams of small and not well-defined channels, due firstly to the low annual rainfall in the region and for another reason because rapid evaporation occurs in addition to the influence of permeable surface materials that favor the infiltration into the lower strata. (Geohydrological Study at Minera Penmont, February 2013, by Geoservices and Groundwater Studies).

The operation has monitoring wells on the periphery of the leach pad and monitors groundwater quality, before, during and after activities in the pad.

Although Noche Buena does not have any indirect discharges to surface water, the operation annually inspects the diversions through and around the site for the presence of seeps into these normally dry channels.

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

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

Discuss the basis for the Finding/Deficiencies Identified:

Noche Buena has implemented specific water management measures to protect the beneficial use of groundwater beneath and immediately down-gradient of the operation. Plant areas and pump stations have concrete secondary containments and floors, and pipelines were installed in secondary containment. The HLF is geomembrane lined. These measures limit the potential for solutions to percolate to groundwater, which in any case is found approximately 90 to 100 m below ground surface.

The HLF, including the expansions for Phase 7, was designed with a central section with prepared subgrade/structural fill, Geosynthetic Clay Liner (GCL), 60 mil High Density Polyethylene (HDPE) liner, sand over-liner protective layer, and drain gravel/solution collection piping layer. A perimeter section with prepared subgrade/structural fill, fine bedding soil, secondary 60 mil Linear Low - Density Polyethylene (LLDPE) liner, sand layer with piping (i.e., Leak Detection and Removal System[LCRS]), primary 60 mil LLDPE liner, sand over liner protective layer, and drain gravel/solution collection piping layer. The HDPE pipelines between the HLF and ponds are contained within the HLF footprint or geomembrane-lined containment channel.

The plant area, including the mixing and storage area, and the secondary containment channel from the plant to the pregnant pond is concrete lined.

The Pregnant and Intermediate Ponds are lined over a prepared subgrade, fine soil layer, secondary 60 mil HDPE liner, geonet (i.e., the LCRS), and primary 60 mil HDPE liner. The relining of these two ponds uses the same typical section as the original design. The two Contingency Ponds, including the expansion of Contingency Pond 2, are lined from bottom to top: prepared subgrade, fine soil layer, and 80 mil HDPE liner.

The beneficial use of the groundwater is industrial in the Arroyo El Sahuarito Aquifer in the vicinity of the mine. Rather than comparing groundwater sampling results to a standard, and as required by the Environmental Impact Statement for the project, Noche Buena compares pre-mining results to the semi-annual sampling results to evaluate whether there has been a potential release to groundwater. The Official Mexican Standard NOM-001-SEMARNAT (Ministry of Environment and Natural Resources) - 2021, Permissible Limits of Pollutants in Wastewater Discharges establishes 1.0 milligram per liter (mg / L) Total Cyanide in wastewater infiltration and other irrigations for rivers, streams, canals and drains.

Noche Buena has installed eight new monitoring well in addition of the six existing wells upgradient and downgradient around the HLF, plant, and ponds, as indicated by a presentation from the mine geologist. The general direction of the gradient is to the west and the depth to groundwater is 90 to 100 meters below ground surface in the vicinity of the mine.

Noche Buena provided laboratory data sheets for semi-annual samples collected during the recertification period. As stated in the initial certification audit report, the pre-mine results were non-detect total cyanide. The operational results from the recertification period were all non-detect total cyanide for five of the six wells. The monitoring well between the HLF and the open pit (PM-03) recorded a mixture of non-detect results and low concentrations of total cyanide. The data did not exhibit any obvious temporal trends. Noche Buena considers that these non-detects and low-level detections represented laboratory variability and/or laboratory contamination rather than releases to groundwater.

Noche Buena does not use mill tailings as underground backfill.

Noche Buena does not have seepage that has caused cyanide concentration of groundwater to rise about levels protective of beneficial use and therefore no remedial activity is currently required.

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

Discuss the basis for the Finding/Deficiencies Identified:

Noche Buena has provided secondary containment measures for cyanide unloading storage, mixing, and process solution tanks. The secondary containments have not changed since the initial audit and therefore they achieved compliance at that point in time. The Process Plant has secondary containment systems for all tanks and piping's, consisting of concrete walls and floors and sump pumps that reports to the barren tank.

In addition to the concrete wall, the secondary containment system for the process tanks and vessels also consists of concrete floors sloping to an interconnected series of grated concrete channels throughout the plant. The process tanks and vessels have pipes extending to these grated concrete channels to direct overflows such that solutions do not accumulate on the plant floor. The largest vessel reports directly to the Pregnant Pond rather than to the system of concrete channels. The channels combine into a single channel that then flows to the Pregnant Pond. Along the route to the Pregnant Pond, this channel also collects possible overflows from the two concrete sedimentation cells.

Design drawings showed that the tanks on concrete bases included an impermeable barrier between the tank base and the underlying ground. The tanks area installed on a concrete ring beam with a reinforced concrete top supported by compacted structural fill within the ring beam. The concrete top within the ring beam provides a competent barrier to leakage. The other vessels at the plant are elevated over the concrete floor of the plant.

All secondary containments have adequate capacity to hold the volume of the largest tank within the containment as well as solution from any piping that would drain back to the tank and additional capacity for the design storm event.

The capacity of the secondary containment provided for the Carbon in Column (CIC) train commissioned during this ICMC recertification audit period is adequately sized to hold a volume greater than that of the largest tank within the containment and any piping draining back to the tank, and with additional capacity for the design storm event. The new carbon circuit resides within the existing secondary containment area.

The adequacy of the containment's capacity was assessed during the last cyanide audit and found it in conformance. The auditors reviewed the last audit report data on tanks size and calculations of the containment's available volume to confirm this, accounting for the volume occupied by the tanks themselves or any other equipment and/or associated foundations. The auditors also verified through visual observation that there are no materials stored within the containment that compromise this capacity.

The secondary containments have not changed since the initial audit and therefore they achieved compliance at that point in time. The secondary containment for the four high-strength tanks has a sump with a float-operated pump that reports to the barren tank. All secondary containment and sump are inspected regularly, and the pump run as needed. The secondary containment for the remainder of the plant reports to the Pregnant Pond via gravity flow in a grated concrete channel.

The system is subject to inspections and preventive maintenance. The procedure describes the operation of the sumps with manual and automatic pumps and gravity-flow interconnections to prevent a discharge to the environment. All liquids in the containments are considered process solutions and are returned to the process circuits. Given that solutions in containment, whether

precipitation or process solution, are returned to the process circuit, no written procedures are necessary. All cyanide process tanks at Noche Buena have concrete secondary containment.

Noche Buena has provided spill prevention and containment measures for its cyanide process solution pipelines to collect leaks and to prevent releases to the environment. High-strength cyanide pipelines between the storage area and the addition points have been installed over metal trays or over concrete floors. These secondary containment measures have not changed since the initial audit except for the extension of the pipelines and containment ditch for Phase 7 of the HLF. Process solution pipelines have been installed over concrete, and metal tray for an elevated reclaim water pipeline.

From the plant to the HLF: geomembrane-lined ditch. The ditch has not changed along the south perimeter of Phases 1 and 2. The former ditch along the south and east sides of Phase 3 was enlarged and extended to Phase 7. Other pipes within the HLF perimeter: within geomembrane-lined footprint of the HLF.

There is no natural surface water in the vicinity of the mine due to the extreme aridity. Therefore, no cyanide pipelines present a risk to surface water been evaluated for special protection needs.

Noche Buena has constructed tanks, columns, vessels, and pipelines of materials that are compatible with cyanide and high pH conditions. The tanks and pipelines area constructed with stainless steel, mild steel, and HDPE. These installations generally have not changed since the initial audit and any changes or expansions have used the same types of materials. The pipelines were constructed HDPE, stainless steel and mild steel with industrial coatings, depending on the pressure inside the pipes. The auditors observed these materials to be in good condition.

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

Describe the basis for the Finding/Deficiencies Identified:

Compliance with Quality Assurance/ Quality Control (QA/QC) programs was achieved during the initial audit for all cyanide installations built before this recertification period. QA/QC programs were implemented during the construction and extension of the cyanide facilities. All major installations were built with QA/QC programs. As confirmed in the previous audit reports the operation had all appropriate QA/QC documentation evidence for facilities constructed prior to the current audit cycle.

For this audit period, the operation demonstrated that QA/QC programs were implemented for the TSF Phase 7 construction, the Process Plant CIC installations and extension of the emergency pond 1. All these new installations constructed during this recertification period were under quality assurance and quality control programs.

To verify compliance, the auditors reviewed QA/QC weekly reports for construction of Phase 7 of the HLF, and extension of pond 1, including the Geomex external contractor report: Engineering Design Report, Noche Buena Mining Unit, Stage 7 of the Leaching Pad and Contingency Pond No. 1 Extension. Also reviewed the QA/QC Preliminary Report for these installations for the period between January 22, 2018 to March 31, 2019, from Geomex.

The CIC installations were built between years 2018 and 2019. The auditors reviewed the quality dossier that was in charge of the CIMSA company that includes a description of the procedures used for the construction, engineering drawings and calculation, bills of materials quality certificates of materials, checklist of daily and weekly inspections, construction reports, and calibration records, among others. Also includes technical inspection services, radiography of welds and thicknesses of plates, all signed by responsible engineers.

Noche Buena has completed QA/QC programs that addressed the suitability of materials, adequacy of compaction, installation of geomembrane liners, and other items. As confirmed in the previous audit reports, the operation had all appropriate QA/QC documentation evidence for facilities constructed prior to the current audit cycle.

During this audit cycle, construction of the HLF Phase 7, emergency pond 1 extension and CIC plant, QA/QC reports covered materials suitability, earthworks placement and compaction, laboratory testing and liner installation, as well as as-built drawings. The projects specifications address the requirements and procedures for material selection, handling, installation/construction and testing. The QA/QC plan adequately addresses testing frequency, methodology and required minimum results for all significant earthwork, geosynthetic, piping, valves tanks and steel plates installation components. The QA/QC completion reports contain weekly construction reports, construction photographic records, laboratory testing reports for the materials utilized during the construction, geosynthetics manufacturing QA/QC records and field QA/QC testing of the materials installation.

Noche Buena has retained electronic and physical copies of the QA/QC documentation for the cyanide facilities. The auditors viewed documents on screen and inspected boxes of hard copies to verify compliance.
Appropriately qualified person reviewed cyanide facility construction and provided documentation that the facility has been built as proposed and approved. Compliance with this question was achieved during the initial audit. For the changes to the cyanide facilities this audit cycle, Noche Buena has used appropriately qualified personnel to review QA/QC documentation that verifies the changes to the cyanide facilities were built in accordance with the designs and specifications. Noche Buena provided turnover forms signed by the site project manager, the corporate head of engineering and construction, and the operator of the completed works. The

completion reports prepared by Ingenieria Geomex S.A. de C.V. (Geomex) and CIMSA for the CIC plant were signed by degreed engineers and the respective company responsible.

Noche Buena has all assurance documentation and as-built certification for cyanide facility construction for all cyanide facilities which are properly stamped by a qualified engineer.

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

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

Describe the basis for the Finding/Deficiencies Identified:

Noche Buena has developed written standard procedures for wildlife and groundwater monitoring activities. Surface water monitoring is inapplicable because of the extreme aridity at the site. Noche Buena has prepared and implemented a written procedure that includes daily wildlife monitoring and steps for reporting mortalities. During this certification period the mine contracted ALS-INDEQUIM SA DE CV, the analytical laboratory in Monterrey, a subsidiary of ALS Laboratory Group (ALS) for monitoring activities. ALS has developed a written procedure manual for monitoring various types of water, including those applicable to the site groundwater.

For wildlife monitoring, Noche Buena uses the same procedure as with the initial certification audit. This procedure prescribes daily monitoring and steps for reporting mortalities.

Sampling procedures have been developed by appropriately qualified person operational personnel and by external parties with specific reference to preparing environmental monitoring and analysis plans, holding a degree in an appropriate scientific discipline and experience with sampling and analytical techniques. ALS prepared the sampling plan.

ALS is accredited by the Mexican Accreditation Entity (EMA). ALS´s procedure R-5 and procedure PT-40-01 Procedure for Sampling Water and Wastewater Sampling R-11, were developed by Arturo Jáuregui Mancera – ALS´s sampling Coordinator, professional register No 3395235, Bachelor's Degree in Industrial Chemistry with 21 years of experience. The ALS Quality Manager endorsing the document is Josefina Pérez Treviño, professional register No.1453058, Pharmaceutical Chemist Biologist degree with 30 years' experience.

The sampling procedures and sample handling procedures developed by contracted laboratory ALS prescribes the sampling equipment, methods, containerization, preservation, and shipping instructions. It also contains blank field forms and a blank chain-of-custody form. The laboratory staff conduct the sampling and transport the samples to the laboratory. The procedure specifies analysis for total and WAD cyanide. ALS collects ground water samples with supervision from

the mine personnel. The auditors reviewed examples of completed chain-of-custody forms and field forms showing proper use of the forms for the period of this recertification audit. The auditors also reviewed a map showing the groundwater monitoring wells' locations around the mine site.

The operation has field reports where sampling conditions that may affect the analysis are recorded, as weather, livestock/wildlife activity, anthropogenic influences. The ALS samplers document weather and other conditions on field data sheets that are filled out at the time of sampling. The field forms document request for services, the chain-of-custody, the containers, preservatives, sampling equipment, calibration of field instruments, field parameters during purging, wellhead conditions, weather conditions, the list of constituents, and observations of other conditions that may affect the sample integrity. The auditors reviewed completed field forms for groundwater sampling verifying that the operation actually records this information.

Noche Buena has conducted monitoring for cyanide in groundwater down-gradient of the cyanide facilities at frequencies adequate to characterize the medium being monitored and to identify changes in a timely manner. Groundwater is monitored every 6 months, which is an appropriate frequency for the deep groundwater at the site. The horizontal component of the groundwater gradient is to the west and the depth to groundwater is 90 to 100 meters below ground surface in the vicinity of the mine. There are no discharges to surface water and surface water monitoring is inapplicable because of the extreme aridity at the site.

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, livestock, and the environment.

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

Describe the basis for the Finding/Deficiencies Identified:

The auditors confirmed that the operation has a decommissioning plan. The plan for cyanide facilities is within the closure plan for the entire operation. The closure plan addresses the cyanide remaining on site upon cessation of production activities and prepares the site for its closure and post closure period, treating and managing cyanide and cyanide containing process solutions remaining in storage and production facilities in preparation for closure so that they do

not present a risk to people, wildlife or the environment due to their cyanide content. The operation has written procedures to conduct the necessary activities, as applicable to its cyanide facilities. Noche Buena decommissioning plan, among others, includes activities such as:

- decontamination of equipment;
- removal of residual cyanide reagents;
- neutralization of process solutions; and
- installation of measures necessary for control or management of surface or groundwater such as pumping and treatment systems that would operate during the facility's closure period.

These procedures are included in Noche Buena Conceptual Closure Plan elaborated by Golder updated on October 10, 2020.

The life-of-mine plan includes the process plant, process ponds, and HLF. The plan covers the appropriate decommissioning activities: use or return to vendor of residual cyanide; recirculation of cyanide solutions to the HLF and gold recovery in carbon columns until WAD cyanide is less than 0.2 mg/l; and washing and decontamination of cyanide equipment prior to demolition.

The operation's decommissioning plan and procedures include a schedule for carrying out its proposed activities. The schedule show the order in which the planned activities will be conducted and the duration of each activity starting from the point in time the operation ceases production or an individual cyanide facility is no longer in use. The schedule is a series of bullets in Section 1.0 of the reclamation and closure plan: progressive closure (2017-2021), definitive closure (2022-2024), final closure (2025-2026), post-closure maintenance and monitoring (2025-2028), and post-closure monitoring (2028-2041). Decommissioning is scheduled for the definitive closure period.

The decommissioning plan has been reviewed and revised during this certification period to keep it current and applicable to the actual ongoing operation as it changes over time. The operation updates its plan biannually to reflect changes in the operation as they affect decommissioning, as well as changes in planned decommissioning techniques and measures.

The mine's decommissioning plan include a provision requiring its periodic review and revision. The auditors saw previous versions of the closure plan and the most recent version from 2020 which was subject to review during this audit, confirming that the current plan addresses all expansions and modifications to the operation that materially affect the plan and its estimated cost.

5.2 Establish a financial 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

Describe the basis for this Finding/Deficiencies Identified:

The operation has a cost estimate for financial assurance. The cost to fully fund the closure plan is the cost for a third-party contractor to mobilize, conduct the planned activities, and demobilize from the site.

The cost estimate prepared by Golder is based on rates applicable to an outside contractor. The cost estimate include line items for site cyanide-related decommissioning activities and corresponding costs. The updated closure plan updated in 2020 includes an estimate of the cost to fully fund third party implementation of all closure activities at Noche Buena. The closure planning covers the Process Plant, the process and emergency ponds and the heap leach facilities. This cost includes decontamination, disposal of residual solutions and other decommissioning measures for all cyanide facilities.

Noche Buena has reviewed and updated its decommissioning cost estimate during this audit cycle and during the previous audit cycle. The estimate for this audit cycle was prepared in-house and the estimate for the previous audit cycle was prepared by a consultant.

Noche Buena is not required by the Mexican jurisdiction to establish a financial assurance mechanism to cover the estimated closure and reclamation costs identified in its closure plan.

Noche Buena has established self- guarantee as the mechanism to cover the estimated costs for closure and reclamation.

Self-insurance is the mechanism established by the mine as a financial guarantee for mine closure. During the audit, the financial auditor's statement on financial strength based on the audited statements was from July 4, 2022. The mine provided documentation from an external qualified financial auditor Ernst and Young (EY) dated from July 4, 2022 attesting that Penmont has sufficient financial strength to fulfill this obligation. The financial evaluation was prepared in the context of their compliance with the financial reasons required in section 40 CFR 264.143(f) of the "Code of Federal Regulation" of the United States of America with accountable data from December 31, 2021.

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

Describe the basis for the Finding/Deficiencies Identified:

Noche Buena has developed operating procedures that describe the steps, controls and precautions to be taken in facilities where cyanide is used, that are aimed to minimize worker exposure to cyanide. These procedures provide detailed information on risks involved with each task and adequately describe safe work practices. Documented procedures have been prepared for mixing of cyanide solutions; operation of the Carbon in Column (CIC) train; entry into confined spaces; equipment decontamination prior to conducting maintenance activities; stoppage and startup of the CIC plant; among others. There are approximately 20 procedures related to cyanide management. In addition, Noche Buena has achieved in 2019 ISO14001:2015 certification of its environmental management system and ISO45001 certification for its safety management system. Both certifications are valid for three years. The procedures are reviewed every two years and updated, as necessary. All procedures include a section related to PPE (Personal Protective Equipment) requirements, considerations of safety hazards, potential impacts to worker exposure and the environment, permits needed to conduct the task, and a reaction plan in case of upset conditions. Procedures were reviewed and found to be sufficiently detailed to enable safe operation and to minimize worker exposure.

Noche Buena has standardized the development of procedures which includes a section with required personal protective equipment (PPE) for each activity. Noche Buena developed a risk matrix to define required PPE for each activity. This risk matrix, dated May 2022, was developed in-house, meets local requirements, and is updated every year or when a new activity is added or removed. The procedures include the following sections: Objectives, scope, definitions, responsibilities, tools/equipment to perform the task, personal protective equipment (PPE) required for each task, considerations of safety and health risks and environmental aspects, work permits, description of the tasks, reaction plan, registers, appendices and log of changes to the procedures. Prior to conducting an activity, pre-work inspections are completed when applicable to help identify PPE required for that activity. The auditors verified that a pre-work inspection was completed prior to the cyanide mixing event. Pre-work inspections for cyanide mixing were reviewed for the recertification period and were found to be complete. The auditors also reviewed examples of permits to work in confined spaces. In addition to the use of general PPE, such as

hard-hat, steel toe shoes, and safety glasses throughout the mine site, areas and/or tasks where personnel may encounter cyanide have additional PPE requirements. It was verified during the audit that several procedures require the use of special PPE in activities or tasks where personnel may come into contact with cyanide. For example, it was confirmed that hard hat, hearing protection, rubber boots, rubber gloves, chemical suits, approved full-face respirator and HCN gas monitors were in use for tasks that were performed at the cyanide mixing area.

Noche Buena has implemented several mechanisms to take into account worker input for the development of health and safety procedures. Among those, the ones to highlight are:

- Beginning of Shift Meeting (RIT meetings), which consists of 5-minute safety talks, where safety and occupational health matters are discussed with the workforce prior to starting daily activities. The auditors reviewed evidence of these RIT meetings.
- Review of working cycles, which are conducted on a monthly basis, and where the supervisor verifies in the field through a task observation process that the procedures are being followed. The supervisor provides feedback to the worker and completes a form, which includes a section for the worker to provide feedback on how to improve safety practices. The auditors reviewed examples of completed working cycles documentation.
- Safety weekly meetings, where workers have the opportunity to provide opinion about safe work practices and procedures. These meetings were suspended in 2020 due to COVID-19 restrictions and Noche Buena resumed them in 2022.
- Review/training on procedures meetings, where the supervisor discusses the procedures with workers and operators, and they have the opportunity to provide feedback before the procedure is finally approved. Procedures are reviewed officially every two years, or more frequent through the working cycles process.
- Incidents/accidents investigation, where operators and unionized workers participate and have the opportunity to provide feedback related to safety.
- The annual review of the risk matrix, which is conducted with participation of operators, and they have the opportunity to provide feedback related to safety.

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

Describe the basis for the Finding/Deficiencies Identified:

Noche Buena has determined the appropriate pH for limiting the generation of HCN gas during cyanide mixing and other process activities. Specifically for the cyanide mixing activity, the procedure PO-PL-19 “Cyanide unloading from isotanker” indicates that during cyanide offload the pH should be in the range of 10.2 – 11 standard units to avoid generation of HCN gas.

Observation of the cyanide mixing event confirmed that pH in the cyanide mix tank was checked prior to initiate the activity. The pH values are monitored in the Delta V screen and from the control room. Procedure PO-PL-07 “Risks in heap leach pads” indicates that solutions during leaching activities requires that pH is to be maintained at a minimum of 10 standard units to maintain cyanide in alkaline solution and limit the generation of HCN. Lime is added to the ore to maintain the required pH levels during leaching. Procedure PO-PL-13 “Monitoring of pH on leach solution from leach pads” indicates that pH values of solution collected at the bottom of the heaps needs to be above 7 standard units. Samples are taken every two hours and analyzed at the mine lab. The auditors confirmed this through interviews with process personnel, and review of pH logs for cyanide mixing and during pH monitoring of solutions collected at the bottom of the heap. Historical data was reviewed showing pH levels for the recertification period. pH meters are maintained on a monthly basis as part of the preventive maintenance program. The auditors also reviewed calibration records for the pH meters to verify that Noche Buena has maintained them in proper working order. Operators are required to register pH levels in the checklist during cyanide offload events. The checklists reviewed for the last three years indicated that cyanide was offloaded with pH levels above 10.2 standard units at all times.

Noche Buena has identified areas where workers may be exposed to cyanide in excess of 10 parts per million on an instantaneous basis and 4.7 parts per million continuously over an 8-hour period. Noche Buena updated its risk assessment in 2022 to review existing conditions and identify the areas of potential worker exposure to cyanide and to evaluate the need for installing new fixed HCN monitors and/or relocating the existing monitors. No changes to existing controls were deemed necessary as a result of the 2022 risk assessment. This risk assessment is updated annually. Noche Buena has installed fixed HCN monitors at areas where workers may be exposed to HCN gas (cyanide mixing area and barren tank). Fixed monitors are monitored continuously in the process plant control room. In addition, portable HCN monitors are used by operators and maintenance personnel where HCN gas can be present. The auditors sampled HCN data of fixed monitors for the recertification period at these locations and verified that values recorded were generally below 4.7 ppm. Procedures for cyanide handling during cyanide mixing, operation of carbon trains and leaching processes identify the potential for worker exposure to cyanide and require the use of the portable HCN monitors as part of the required PPE. Signage listing the PPE requirements to enter a cyanide facility has also been installed at appropriate locations. Fixed HCN sensor alarms are set at 4.5 ppm (notification alert) and 10 ppm (evacuation alarm). Notification means an alert in the control room and response / attendance by an operator to determine the appropriate actions.

Noche Buena has 2 fixed HCN monitors (1 Drager y 1 MSA brands). These fixed monitors are located at the cyanide mixing area and the barren tank. Fixed HCN monitors are checked by process personnel, and calibrated every three months to ensure that the equipment is working properly. According to recommendations of the manufacturers, these fixed HCN monitors should be calibrated every six months. Portable HCN monitors MSA brand (8 in total) are in use during operations where cyanide is present. These monitors are for the use of plant operators, the emergency brigade and the clinic. The Instrumentation area is in charge of maintaining and calibrating these portable monitors. Personal protection equipment (PPE) requirements defined

in cyanide handling procedures and maintenance procedures call for the use of a personal HCN monitor during specific operations where there is a potential for exposure to HCN gas. Operators and maintenance personnel were observed using these monitors throughout the audit. Fixed and portable HCN monitors are set up to produce a visual and sound alarms at 4.5 ppm and 10 ppm, respectively, to limit worker exposure to HCN. HCN fixed and portable monitors are calibrated on a regular basis and records are kept in the maintenance system called MAXIMO. Calibration records for the fixed and portable monitors are maintained indefinitely and were available for review.

Warning signs are posted in all areas where cyanide is present, advising workers that cyanide is present and that smoking, open flames and eating and drinking are not allowed, and that, if necessary, suitable personal protective equipment must be worn. The signs are in Spanish, which is the language of the workforce. The PPE requirements are also posted in each area. Pictograms indicate the required PPE. The auditors completed visual inspections of signage at the cyanide mixing area, CIC train and solution ponds and found that signage was adequate. There are signs at the entrance of the leach pad alerting workers to the presence of cyanide and reminding them of the various prohibitions regarding its use. Induction training for employees includes information on typical warning signage used at Noche Buena for cyanide.

High strength cyanide solution is dyed in red color for clear identification. Noche Buena uses sodium cyanide from Draslovka. Draslovka sends the dye mix inside the isotainers together with the cyanide briquettes so that during the mixing operation, the high strength (>20%) cyanide solution turn into a red color solution.

Noche Buena has installed showers, eyewash stations and fire extinguishers at strategic locations throughout the process facilities in all areas where there is a potential for exposure to cyanide. Additionally, portable eyewash stations were found at certain areas. There are 9 fixed showers - eyewash stations and 4 portable eyewash stations throughout the process facilities. Showers and eyewash stations are inspected every shift by process personnel to ensure that they are operational and that water flows are adequate. The auditors checked showers and eyewash stations during the site tour to verify functionality and verified that they were inspected to ensure they are operational prior to cyanide mixing. The auditors also reviewed records of checklists and inspections of showers and eyewash stations. To protect against fire, dry chemical powder fire extinguishers are used where cyanide is present to prevent generation of HCN gas whilst extinguishing a fire. Fire extinguishers were inspected and tested monthly by an external contractor until August 2022, and since September 2022 is being conducted by site personnel. The auditors randomly checked fire extinguishers to confirm they are an acceptable type for use with cyanide. In addition, maintenance and recharge of the fire extinguishers is conducted annually or as needed.

Noche Buena has identified tanks and pipelines that contain cyanide solution to alert workers of their contents. Pipes containing cyanide are marked as containing cyanide solution, and flow direction is indicated. Labeling is typically located at places to easily identify and track the lines to identity contents. For pipelines, flow direction arrows for cyanide bearing lines are used to

allow personnel to understand the flow and possible exposures and/or response requirements to leaks and/or maintenance work. Cyanide mixing, cyanide storage, cyanide distribution and process tanks are marked as containing cyanide. Signage warning of confined spaces in tanks has also been placed. The auditors followed the cyanide solution circuit from the cyanide mixing area to the process facilities. During the visual inspection of the cyanide facilities and interview with operators, there is evidence that workers are aware of the meaning of signage applied in the operation to identify cyanide presence. The auditors considers that signage used to identify cyanide tanks and piping is adequate.

Noche Buena has available Safety Data Sheets (SDS) and first aids procedures at critical areas where cyanide is managed. Binders with this information were available at locations where cyanide is used. The information were found to be in Spanish, the workforce language at the site. The SDS was provided by Draslovka and the auditors verified that it corresponds to the latest version provided by the manufacturer. In addition to the SDS sheets, signage is available to alert personnel from chemicals, and required emergency response requirements in the high risk cyanide areas. The auditors found evidence of SDS and first aid procedures located at the observation room by the cyanide mixing area and at the clinic.

Procedure PS-HE-10 “Incidents” details the process to report, investigate and evaluate all accidents and incidents, including cyanide exposure incidents. This procedure documents the requirements to report and investigate health, safety and environmental related incidents to determine the basic causes of the incident and provide corrective and preventive actions to ensure that a similar incident does not reoccur. Accidents and incidents/near misses are classified according to its severity. Preliminary report forms are used to initially communicate the accident/incident. The accident/incident report is distributed within management staff. The incident investigation procedure was reviewed during the audit and was found to be comprehensive. Examples were available to show that several minor incidents had been appropriately investigated and corrective actions taken and followed up until they are closed. No cyanide related emergencies occurred during this recertification cycle requiring the implementation of the emergency response procedures, or notification to ICMI.

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:

Noche Buena has made available necessary safety equipment including antidote kits, fresh water, oxygen, resuscitators, radios, telephones, and alarm systems at the cyanide mixing area, and at the clinic. Cyanide antidote kits consisting of amyl nitrite ampoules with expiry date

information are located within small refrigerators fitted with thermometers to ensure that the ampoules are stored within a regulated temperature range between 36° and 46°F. Antidote kits are stored at two key locations: observation room by the cyanide mixing area, and the clinic. The kits consist of amyl nitrite, activated carbon, water, oxygen, masks, and gausses. Operators are required to carry a radio while performing their tasks in the most critical areas were cyanide is handled, such as the cyanide mixing facilities. Emergency notification would be via cellular phone or internal radio frequency and by telephones located within the process facilities. Amyl nitrite, resuscitators, and sodium thiosulfate/sodium nitrate are also available at the clinic. The clinic also has medical oxygen bottles. Two ambulances are also located in the clinic. Automated External Defibrillator (AED) resuscitator equipment are located at the site's clinic and in the ambulances. The locations of the emergency equipment were deemed to be appropriate for the operation. Verification of compliance against this requirement was by visual inspection of the cyanide antidote kits at the observation room and the clinic, and interview with process personnel and onsite doctors/paramedics to ensure proper training and qualifications.

Emergency response equipment is regularly checked by both Process personnel and medical personnel. This includes inspections of cyanide antidote kits (amyl nitrite), first aid kits, eye wash stations and emergency showers. Inspections at the observation room by the cyanide mixing area include checks of expiration dates of cyanide antidote kits and storage at the recommended temperature range. The medical area is in charge of replacing cyanide antidotes when required. Medical personnel periodically inspect the sodium thiosulfate/sodium nitrate antidotes.

Amyl nitrite ampoules are stored according to manufacturer specifications in refrigerators at strategic locations throughout the operation to ensure that areas where cyanide exposure may occur have immediate access to the antidote. Oxygen tank pressure and amyl nitrite expiration dates were checked during the audit. Oxygen tanks were fully pressurized. At the clinic, the auditors reviewed inspection records of first aid equipment for the recertification period. Cyanide first aid equipment (cyanide antidotes and oxygen) in the process areas is inspected prior to cyanide mixing events. Cyanide antidote kits, oxygen bottles and emergency kits are inspected on a daily basis to verify that they are in good condition.

Noche Buena has procedure PO-SM-03 "Treatment of worker intoxicated with cyanide" that describes what is to be done in the event of a cyanide exposure. Specific instructions are provided to treat victims who are exposed to sodium cyanide via inhalation, ingestion, and dermal routes. Instructions detail the steps to be taken for first aid using oxygen and ambu bags (if required) and subsequent treatment of the victim with the cyanide antidotes, and evaluate the need to evacuate the victim to a local hospital once stabilized. Emergency contact information is also included. Operational procedures and medical procedures at Noche Buena indicate actions to be taken when HCN concentrations reach 4.5 ppm (i.e. remove workers from immediate area) and higher than 10 ppm (i.e. evacuate the area and call Emergency Response); however, it does not indicate what actions can be taken when HCN levels are between 4.6 and 9.9 ppm and who will respond to the incident (i.e. first responders or the emergency brigade). During preparation of this report, Noche Buena sent evidence of revised procedures indicating actions that can be implemented and responsibilities for those actions, and evidence of communication of these updated

procedures to process, emergency response and medical personnel. No further action was required to be in compliance with the Code. Procedure PO-PL-11 “Leak prevention from leach pads” includes instructions on how to evacuate a victim that has been exposed to cyanide at the leach pad area.

Noche Buena has its own onsite capability (infrastructure, equipment and medical resources) to provide first aid and medical assistance to workers exposed to cyanide. The site has a complete medical facility (clinic) located at the mine site. Medical staff for each shift include a doctor and four paramedics. The paramedics are at the clinic 24 hours, while the doctors sleep in Caborca and are on-call in case of emergencies. In addition, doctors staying overnight at the nearby La Herradura mine, which is located 40 minutes away and is also owned by Penmont, can provide support if required. The clinic is well-equipped for dealing with many types of medical emergencies, including cyanide exposure. The clinic has two ambulances in case victims need to be evacuated to local hospitals. Procedures are in place for treatment of cyanide exposure, for determining the need to evacuate a victim to a local hospital, and for evacuating victims using the ambulances.

Cyanide treatment is provided on-site by company medical staff at the clinic. It is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will decide if transfer to the Santa Fe Clinic in the city of Caborca is required to provide additional medical care. Two ambulances are maintained at the clinic to transfer victims if needed. Procedure PO-SM-03 “Treatment of worker intoxicated with cyanide” describes what is to be done in the event of a cyanide exposure, including determination of the need to evacuate a victim to Santa Fe Clinic (located approximately 1 hour drive from the mine site), and procedures to evacuate victims using the ambulances. The cyanide antidote will be transported along with the patient to the clinic. For life, critical scenarios that exceed the Santa Fe Clinic capabilities, victims would be transferred to the Hermosillo hospital.

Cyanide treatment is provided on-site by company medical staff in the medical clinic. Noche Buena would manage any cyanide exposures without involving offsite facilities. It is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will decide if transfer to the Santa Fe Clinic in Caborca is required to provide additional medical care. Therefore, the offsite facilities do not necessarily treat victims directly for cyanide exposure. Noche Buena has determined that its medical facilities have qualified staff, adequate equipment and expertise to respond effectively. Regardless of this, Noche Buena has established formalized arrangements with the Santa Fe clinic regarding the potential to treat patients that have been exposed to cyanide. The auditors reviewed a letter from the Santa Fe clinic dated January 1st 2022 indicating that they have qualified medical physicians, infrastructure and equipment to respond to cyanide exposures. The letter also stated that the hospital has medical and paramedic staff trained to provide care to patients with a diagnosis of cyanide poisoning and has adequate equipment to determine cyanide levels in blood. Noche Buena organized in June 2022 a training session on medical treatment of cyanide intoxication patients with participation of doctors, nurses and paramedics from the mine site

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

Describe the basis for the Finding/Deficiencies Identified:

Noche Buena has developed an emergency response plan to address accidental releases of cyanide, that is included in procedure PS-HE-07 “Emergency Response and Preparedness” (ERP) that identifies potential emergency situations including cyanide releases, and the activities and components that must be prepared before the emergency, such as emergency brigades, training, mock drills and communications during an emergency situation. The plan also addresses the actions to be taken, first responders, responsibilities, emergency telephone contact list with both emergency staff numbers and external support, and recovery after the emergency. In addition, there is a Contingency Plan that provides detailed incident response procedures and requirements, including contact information, declaration of emergency, notifications, and other information for a number of emergency scenarios. The ERP is complemented by approximately 18 procedures of emergency response, each of them addressing a specific emergency scenario. Cyanide scenarios considered include cyanide solution spills, solid cyanide spills and treatment of worker intoxicated with cyanide. A complete list of scenarios is included in section 11 of the ERP. These procedures and plans have been implemented through specific training to personnel working in areas where cyanide is present as well as through mock drills, and equipment checklists throughout the recertification period.

The ERP provides response procedures for all potential cyanide failure scenarios required by the Code, including: catastrophic release of hydrogen cyanide, transportation accidents, releases during unloading and mixing, releases during fires and explosions, equipment failure (valve, pipe or tank ruptures), overtopping of ponds and impoundments, power outages, and uncontrolled seepage. Failure of cyanide treatment systems and failure of tailing impoundments are not addressed because Noche Buena does not have a cyanide destruct circuit, nor tailing facilities. Scenarios related to catastrophic releases of hydrogen cyanide from storage or process facilities are included in each cyanide related procedures (Section 7 – Reaction plan) and also in procedure PO-BE-07 “Spill of cyanide, cyanide solution, tailings, and overflow of solution ponds”. Scenarios related to transportation accidents are covered by the ERP of Draslovka’s cyanide transporter Segutal. Noche Buena does not assume responsibility for cyanide until it is transferred from the

isotank into the dilution tank. In case of a transportation emergency (on-site or off-site), Segutal is responsible for the emergency response as well as for the remediation and clean-up of any cyanide release. Noche Buena would provide necessary assistance in coordination with the transporter; this assistance may include emergency communications, medical aid, spill containment, and clean up. The ERP also includes in Section 6 the actions that Noche Buena will take in case of a cyanide spill during transportation. Releases during unloading and mixing are addressed in procedure PO-PL-19 “Cyanide unloading from isotank”. Releases during fires and explosions are addressed in procedure PO-BE-4 “Fire at the plant”, and in the Contingency Plan. Scenarios related to pipe, valve and tank ruptures are addressed in procedure PO-PL-17 “Response to cyanide solution spills”. Scenarios related to overtopping of ponds and impoundments, such as the process solution ponds are also addressed in procedure PO-PL-17 “Response to cyanide solution spills”. Scenarios related to power outages and pump failures are addressed in procedure PO-BE-07 “Spill of cyanide, cyanide solution, tailings, and overflow of solution ponds”. Scenarios of uncontrolled seepage are also addressed in procedure PO-PL-17 “Response to cyanide solution spills”. Scenarios related to failure of cyanide treatment, destruction or recovery systems do not apply to Noche Buena as there are no cyanide destruction system at the operation. Scenarios related to failure of heap leach facilities and other cyanide facilities are addressed in procedure PO-BE-07 “Spill of cyanide, cyanide solution, tailings, and overflow of solution ponds”, and procedure PO-PL-11 “Leakage prevention from leach pads”.

Transportation of cyanide by truck from the Hermosillo warehouse to Noche Buena is addressed in Segutal ERP. Noche Buena does not assume responsibility for cyanide until it is transferred from the isotanker into the dilution tank. Segutal would have primary responsibility for a spill of solid cyanide during transportation from Hermosillo, but would draw on resources from Noche Buena for support if the spill occurs close to the mine site. Noche Buena has a copy of the Segutal ERP, which was also reviewed by the auditors. Segutal ERP includes actions to respond to cyanide spills and intoxication. The ERP of Noche Buena includes a section that details actions that the mine site would take in case of a cyanide spill during transportation.

The Emergency Response Plan, the Contingency Plan, and the emergency response and process plant procedures describe the specific actions to be taken in case of emergencies, such as the use of cyanide antidotes and first aid measures, first responders, responsibilities, telephone contact lists, call for external help, and recovery after the emergency. Any emergency that has the potential to affect the surrounding communities will trigger the notification requirements outlined in the ERP and in procedure PS-HE-09 “Internal and External Communication”. Clearing site personnel and potentially affected communities from the area of exposure is considered in the ERP, where actions to be taken when an emergency arises are described. Initial response, first aid and the use of cyanide antidotes by trained medical personnel is included in procedure PO-SM-03 “Treatment of worker intoxicated with cyanide”. The ERP also provides responses to cyanide spills or leaks from the process facilities, and makes provision for initial response, first aid, and spill reporting control and cleanup. Control and mitigation measures of a cyanide related incidents is covered under section 6 of the ERP and also in procedure PO-BE-07 “Spill of cyanide, cyanide solution, tailings, and overflow of solution ponds”. Containment measures are covered under operational procedures as well as in the ERP and supporting emergency response

procedures. Noche Buena incident reporting and investigation procedure will trigger the evaluation of root causes from an incident involving cyanide release, and will include preventive actions to avoid future events.

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

Describe the basis for the Finding/Deficiencies Identified:

Noche Buena involves its workforce in cyanide emergency response planning. During training of the Emergency Brigade (EB), and after emergency mock drills, staff and the workforce has the opportunity to provide feedback. Workers can also provide feedback during the review of emergency response procedures in 5-minute safety talks (RIT meetings). The auditors verified that Noche Buena maintains sufficient medical resources, infrastructure and equipment that would not require to treat exposed patients to cyanide in off-site medical facilities. It is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will decide if transfer to the Santa Fe Clinic in Caborca is required to provide additional medical care. In April 2022, Noche Buena conducted training sessions with communities from the influence area of the mine that covered safety and environmental information, including information about emergency response, cyanide management and medical treatment. The ERP does not provide specific functions to outside responders and communities as Noche Buena has the resources, equipment and first response capabilities to deal with cyanide related releases and exposures during transportation and within the mine facility. If required, Noche Buena can request support from the nearby La Herradura, which is also owned by Penmont, to respond to emergency scenarios. Noche Buena has made potentially affected communities aware of the nature of the risks associated with accidental cyanide releases even though these communities would not be affected by any cyanide release. Noche Buena maintains regular engagement meetings with communities (ejidos) that are in the influence area of the operation such as Ejido Juan Alvarez (5 km away), Ejido Sahuaro (27 km away) and the city of Caborca (80 km away). Mine workers and contractors, many of them from Caborca, Juan Alvarez, and Sahuaro, have received cyanide related training as part of the general training provided by Noche Buena.

Noche Buena has made potentially affected communities aware of the nature of the risks associated with accidental cyanide releases even though these communities would not be affected by any cyanide release. These communities include Juan Alvarez, Sahuaro and Caborca. Noche Buena has, however, established communication channels through community engagement meetings and through their contractors, brigade members, and workforce who live in these communities, as documented in the Contingency Plan. Communities are not expected to play any response role in case of a cyanide incident other than staying away from the area of the incident and report any accidents to the authorities and the mine. In case of an emergency

situation, Noche Buena will communicate the event to the authorities and the communities through the Industrial Relations Superintendent, who is the authorized spokesperson for such events. Mine personnel and contractors participated in mock drills conducted in the recertification period. The mock drills completed at the mine for this recertification period have not involved external stakeholders due to COVID-19 pandemic restrictions. All drills conducted in the recertification period considered only internal personnel. Some of Noche Buena brigade members are also members of the Caborca Fire Department. Mine workers and contractors, many of them from Caborca, Juan Alvarez and Sahuaro, have received cyanide-related training as part of the general training required by Noche Buena. Noche Buena also provides to the communities a flyer called “Cyanide uses” that includes information about the process, the use of cyanide and emergency response.

The ERP does not provide specific functions to outside responders and communities as Noche Buena has the resources, equipment and first response capabilities to deal with cyanide related releases and exposures during transportation and within the mine facility. Regardless of that, Noche Buena has established formalized arrangements with the Santa Fe clinic regarding the potential to treat patients that have been exposed to cyanide as it has qualified medical physicians, infrastructure and equipment to help respond to cyanide exposures. The auditors verified that Noche Buena maintains sufficient medical resources, infrastructure and equipment that would not require to treat exposed patients to cyanide in medical facilities off-site. It is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will decide if transfer to the Santa Fe Clinic is required to provide additional medical care.

Noche Buena ERP does not designate any responsibilities to outside responders and communities. Communities are not expected to play any response role in case of a cyanide incident other than staying away from the area of the incident and report any accidents to the authorities and the mine. Regardless of that, Noche Buena has made potentially affected communities aware of the nature of the risks associated with accidental cyanide releases even though these communities would not be affected by any cyanide release. These communities include Juan Alvarez, Sahuaro and Caborca. The mock drills completed at the mine for this recertification period have not involved external stakeholders due to COVID-19 pandemic restrictions. However, the ERP includes current contact information for notifying regulatory agencies, offsite medical facilities, the media, and other stakeholders. As stated in the ERP, the plan is reviewed and updated every two years. The most recent update was in June 2022.

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

Describe the basis for the Finding/Deficiencies Identified:

The Contingency Plan includes an operational structure to respond to emergencies and is led by the General Manager, and the alternates can be the Safety and Ecology Manager for fires, rescue and hazardous materials scenarios; or the Occupational Health leader for medical attention and first aid scenarios. Emergency Brigade (EB) responsibilities are described in the Contingency Plan and in the brigade internal regulations document. Noche Buena has a total of 28 brigade members (7 from the emergency response area and 21 from different areas of the mine). There is a minimum of 8 brigade members per shift. Some of the brigade members are firemen from Caborca and Puerto Peñasco. The auditors reviewed the brigade list contained in the Contingency Plan with information for its 28 team members and other responders (doctor, paramedics, and security) including complete name, contact number, and working area. There is an annual training program for the EB. It is the responsibility of the Emergency Response Leader to ensure that training is provided and maintained. The training program includes internal weekly training for EB members and also external training. The auditors reviewed training evidence for the recertification period. The schedule for internal training was impacted between April 2020 and December 2021 due to COVID-19 pandemic restrictions. The ERP includes call-out procedures. Main way of communication is by radio, which is used and available 24-hours a day. Contact information of the EB is managed and maintained up to date in the Contingency Plan. The functions and responsibilities of the Emergency Response Leader and brigade responders are detailed in the brigade internal regulations document. There is an Integration Emergency Brigade Act dated 2018 that provides details on roles and responsibilities. This document complements general information on roles and responsibilities included in the Contingency Plan. There is also a list of EB responsibilities that defines names of brigade members for the implementation and follow up of the operational controls of the brigade. Emergency response equipment including PPE´s is provided in the ERP. The list includes among others: clothing for fire intervention, equipment for rescue at heights, transportation and vehicle rescue, hazmat and support equipment. Portable HCN gas monitors are also included in the emergency response equipment. Emergency response equipment is checked on a monthly basis as indicated in the ERP. Records of completed inspection checklists were available for review by the auditors. The ERP does not provide specific functions to outside responders as Noche Buena has the resources, equipment and first response capabilities to deal with cyanide related releases and exposures during transportation and within the mine facility.

The ERP does not provide specific functions to outside responders as Noche Buena has the resources, equipment and first response capabilities to deal with cyanide related releases and exposures during transportation and within the mine facility. It is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will decide if transfer to the Santa Fe Clinic on Caborca is required to provide additional medical care. Therefore, the offsite facilities do not necessarily treat victims directly for cyanide exposure. Noche Buena has determined that its medical facilities have qualified staff, adequate equipment and expertise to respond effectively. Regardless of this, Noche Buena has established formalized arrangements with the Santa Fe clinic regarding the potential to treat patients that have been exposed to cyanide. Current contact information for fire, police, and hospitals is included in the ERP and supporting documents.

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

Describe the basis for the Finding/Deficiencies Identified:

The ERP includes procedures to notify management, regulatory agencies, outside response providers and medical facilities in case of an emergency. Contact information for internal personnel, outside responders and medical facilities from Caborca and Puerto Peñasco are included in the ERP. The contact list includes the names of internal first responders, security, medical services, regulatory agencies, and the Emergency Brigade. Procedure PS-HE-09 “Internal and External Communication” provides details on how to notify external parties in case of emergencies.

The ERP includes procedures to notify management, regulatory agencies, outside response providers and medical facilities in case of an emergency. Procedure PS-HE-09 “Internal and External Communication” provides details on how to notify external parties in case of emergencies. The Community Relations department maintains contact information of the members of the local communities and the media in the management information system Borealis. In case of an emergency situation, Noche Buena will communicate the event to the authorities and the communities and media through the Industrial Relations Superintendent, who is the authorized spokesperson for such events.

Noche Buena has established a requirement to notify the ICMI (International Cyanide Management Institute) in case of a significant cyanide incident. Section 6 of the ERP includes the ICMI definition of a “significant cyanide incident” and states that communication to ICMI should occur within 24 hours of occurrence. The Emergency Response Leader would be in charge of such communication to ICMI. Noche Buena has not had any significant cyanide related incident during this recertification period.

7.5 Incorporate remediation measures and monitoring elements into response plans and 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

Describe the basis for the Finding/Deficiencies Identified:

The ERP and supporting documentation includes remediation measures for liquid and solid cyanide spills, including materials to be used for clean-up and for disposal of contaminated spill clean-up materials. Procedures PO-PL-03 “Clean-up of solid CN spills” and PO-PL-17 “Response to cyanide solution spills” provide details on how to clean contaminated soil. In those cases, sodium hypochlorite, that is stored at the warehouse, will be used in a solution at 10% for neutralization purposes. Procedures PO-PL-03 “Clean-up of solid CN spills” and PO-PL-17 “Response to cyanide solution spills” also indicate how to prepare the sodium hypochlorite solution at 10%, the depth at which impacted soil must be excavated and how samples should be taken to determine that the area is clean. The procedure also indicates that WAD Cyanide concentrations in soil should be below 0.5 mg/l to consider that the release has been completely cleaned up. All cyanide-contaminated material is disposed of in the heap leach area as indicated in procedure PO-PL-17 “Response to cyanide solution spills”. Noche Buena confirmed that the operation only uses bottled water for drinking water supply and stated that well groundwater is brackish and undrinkable. By interview with environmental personnel, they confirmed there is no surface water at Noche Buena and that the groundwater table is located at a depth of approximately 90 to 100 meters. There are no nearby communities with water supplies likely to be affected by releases at Noche Buena

The ERP does not specifically prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water. By interview with environmental personnel, they confirmed there is no surface water at Noche Buena and that groundwater table is located at a depth of approximately 90 to 100 meters. Therefore, any use of chemicals (including sodium hypochlorite, ferrous sulfate, or hydrogen peroxide) is at no risk of release into surface waters.

Procedure PO-PL-17 “Response to cyanide solution spills” provides information on environmental monitoring in case of cyanide leakages into groundwater, including sampling and analytical methodologies to be followed, and sampling locations. Noche Buena has a groundwater monitoring program including groundwater wells located upgradient and downgradient of cyanide facilities. The Environmental Department would manage the characterization, extent and remediation of a spill, and is responsible for reporting any spills to the regulatory agencies. Noche Buena monitoring plan includes groundwater sampling and a regulatory reporting program that must be initiated if cyanide is detected in groundwater wells downstream of process facilities.

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

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

Describe the basis for the Finding/Deficiencies Identified:

Noche Buena ERP latest review was conducted in June 2022. The most recent Contingency Plan is dated March 2021. The emergency response procedures are dated January 2021. According to document control procedures, the ERP and other documents should be reviewed and updated every two years to ensure that information is kept up-to-date and that the plan remains appropriate for the mine. The ERP and supporting documentation is reviewed to identify any required changes, and to test and review the adequacy of emergency procedures with drills and exercises. Also, the ERP is reviewed after significant changes, new projects, incorporation of new hazardous materials, new significant aspects or after a significant unwanted event occurs. Previous and current versions of the ERP and supporting documents were reviewed to verify changes and updates conducted during the recertification period.

Noche Buena conducts mock emergency drills according to an annual emergency drills program. The auditors reviewed evidence of emergency response drills during the recertification period which included scenarios with cyanide intoxication and cyanide releases that required to test the full hazardous materials response protocol. Drills for other identified emergency events are also completed on a routine basis to maintain an adequate level of emergency response preparedness. The emergency drill reports identified improvement opportunities, lessons learned and corrective actions. The drills reviewed included scenarios of cyanide solution releases and cyanide exposure for the recertification period with the participation of employees and contractors. The execution of the annual drill program was impacted by COVID-19 pandemic restrictions; as such only one drill related to cyanide was conducted in April 2022. No cyanide emergency drills were conducted in 2020 and 2021. The drill conducted in the recertification period considered internal personnel only. Drill reports including corrective actions were available for review by the auditors. Drills are developed to include a variety of locations and exposure responses, and are developed in advance and risk assessed to minimize potential impact of event unpreparedness. Lessons learned are incorporated into its emergency response planning after a mock drill, if required.

There have been no cyanide-related emergencies during the recertification audit period requiring the implementation of the emergency response procedures. Periodic reviews of the ERP and supporting documentation are completed at least every two years. The auditors reviewed updates of the major components of the ERP and procedures, such as the emergency equipment list and its location, the names of the brigade members, and the emergency contact list. The ERP would be reviewed as part of the corrective action completed following any cyanide-related emergency. The ERP includes a requirement to evaluate and revise the emergency response procedures, as necessary, following emergency mock drills.

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

Describe the basis for the Finding/Deficiencies Identified:

All new hires, contractors and visitors at Noche Buena receive an initial general induction training on health, safety and environmental matters before they can start working or enter the mine. This induction includes a module called “Use and Handling of Sodium Cyanide” and provides information about the production process and the use of cyanide, its characteristics, health effects, risks, controls, storage and handling, PPE, signage, areas of risk, spills, HCN monitors, symptoms, first aid, and emergency response. There is a biannual training program for each area of the mine that is managed by the each area of Noche Buena and includes cyanide related topics. These programs have a duration of 2 years and employees have to take the courses within this timeframe. The auditors reviewed the 2020 and 2021 standalone annual training programs, and the 2022-2023 biannual training program for Noche Buena to verify implementation. In 2020, the training program was impacted by COVID-19 pandemic restrictions, but Noche Buena regained control of the program. Training materials are available for induction training for all employees. Refresher training is provided annually on cyanide hazards. Interviews with employees and contractors working at the CIC and cyanide mixing area, and personnel from Health & Safety, the medical clinic and emergency response were conducted, showing knowledge on cyanide management. 5-minute safety talks (RIT meetings) are also provided to workers that would include cyanide management and health effects of cyanide; these are provided by supervisors. Sign in sheets are used to record attendance. The RIT meetings are the primary means used to provide refresher training in recognition of cyanide hazards.

Annual refresher training including cyanide is provided in Noche Buena. Training includes chemical and physical properties of cyanide; hazards of cyanide; symptoms of cyanide exposure; emergency response; and first aid, including use of oxygen. The training includes a written test. Process workers receive refresher training on cyanide management during review of operational procedures. Also, 5-minute safety talks (RIT meetings) are provided to workers that would include cyanide management and health effects of cyanide. The 5-minute safety talks are the primary means used to provide refresher training in recognition of cyanide hazards. The auditors reviewed refresher training records which were offered at different times to cover all shifts, covering the recertification audit period. The auditors verified that Noche Buena retains copies of training records by randomly requesting information of the workers interviewed during the field visit. Training is recorded on sign-in sheets with training records signed by both trainer and trainee.

Training records, including refreshers and cyanide hazard training for Noche Buena personnel, are retained by each area of the mine in the form of hard copies and also in electronic version stored in Microsoft Excel spreadsheet format. Training records were reviewed for the audit recertification period and were found to be complete. Training records identify the trainer, trainee, topics covered, date and sign off sheet. This requirement was verified through review of a sample of records for the recertification period for the workers interviewed during the field visit. Due to COVID-19 pandemic restrictions, during 2020 most of the training has been conducted on virtual mode.

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

Describe the basis for the Finding/Deficiencies Identified:

New employees and any contractor worker that will perform cyanide related tasks in Noche Buena receive orientation training, which includes elements specific to the handling and use of cyanide in the operation. Employee specific training includes a detailed annual program that covers operational procedures in the cyanide mixing area, the CIC train, and leach pad facilities. Aspects such as cyanide awareness, response, process information, hydrogen cyanide monitor and alarm operation, and location of cyanide safety equipment are included. This training program covers key operating procedures: cyanide mixing, operation of CIC facilities, leach pad facilities, HCN monitoring systems, among others. Experienced supervisors provide training on cyanide hazards, work procedures and PPE in classroom sessions and in the field using the operating procedure documents. Supervisors are trained to provide this training to workers. Refresher training on procedures is tracked and records are signed by both the supervisor and the trainee. Refreshers training is provided according to the training program or more often if there is a change in the procedures. Workers are also instructed on the use of risk assessments and area inspections, which are carried out within work areas.

Noche Buena has developed a comprehensive list of procedures for its operations that define the steps required to complete a task that involves cyanide handling in a safe manner. The biannual procedures training program is prioritized based on tasks and risks with sign off required from both the trainer (process trainer or supervisor) and the trainee. Training elements required for a task or area is recorded on a training sheet. The auditors verified that procedures used at Noche Buena operations that involve the use and handling of cyanide are included in the training program. Training elements such as required personal protective equipment (PPE) and decontamination requirements are included in the training materials used to train operators and maintenance personnel. Training materials were available for review. On-the-job training by a

senior operator or supervisor is also conducted prior to allowing a new employee to work alone. The trainee receives training for 90 days prior to being approved to work at Noche Buena. After that, the trainee works under direct supervision of the supervisor, and once the trainee has acquired experience, is allowed to work on its own. This process can take several months. Task observations are used by the supervisor to verify that the worker is following the established procedures. The auditors reviewed records of this evaluation to new operators and tests to verify understanding of the topics covered in the training. The training sessions include written evaluations to verify understanding by the workers and define if they are qualified to conduct the task.

Training on specific tasks is provided by supervisors or lead operators that have successfully passed a “train-the-trainers” course. In some cases, supervisors are also considered qualified to provide training based on their experience managing cyanide facilities. Draslovka provided training in cyanide management, emergency response and cyanide exposure treatment to process, maintenance, emergency brigade and medical personnel in 2019, two times in 2020, in February and November 2021 and most recent in June 2022. This training included topics such as cyanide risks; health effects; cyanide controls; and emergency response; among others. The session in June 2022 included the participation of external responders such as firemen, police, and medical personnel from Caborca and Puerto Peñasco.

AII new employees and contractors that will work or might encounter cyanide during their tasks, are trained on cyanide before being allowed to operate onsite. Training includes cyanide awareness training and, for those that will be working with cyanide, review and understanding of operating procedures related to their tasks is mandatory. Some of the aspects covered include cyanide alarms and monitors, first aid and use of cyanide safety equipment. Individual training is provided for each specific cyanide related task that an operator will perform and includes cyanide work procedures. A senior/junior on-the-job training approach is used to further training for the personnel on job activities and cyanide safety. New trainees are assigned to work under the supervision of a competent operator/supervisor. These trainees are required to work under direction of these competent operators/supervisors until they demonstrate ability to work without direct supervision in a safe and responsible manner. The auditors verified this by means of interviews with workers at Noche Buena. Records of the induction training and refreshers are maintained by each area of the mine.

Annual refresher training including cyanide is provided in Noche Buena. Module “Use and Handling of Sodium Cyanide” presentation provides information about the production process and the use of cyanide, its characteristics, health effects, risks, controls, storage and handling, PPE, signage, areas of risk, fires, spills, HCN monitors, symptoms, first aid, and emergency response. The training includes a written test. In 2020, this training was provided in virtual mode. Additional training is also provided by external personnel (e.g. Draslovka). Besides the annual cyanide refresher training, Noche Buena also provides re-training to process and maintenance personnel on operating procedures, which includes cyanide hazards and controls. Experienced supervisors provide re-training on cyanide hazards, work procedures and PPE in classroom

sessions and in the field using the operating procedure documents. Supervisors are trained to provide this training to workers. Refresher training on procedures is tracked and records are signed by both the supervisor and the trainee. Training records were reviewed for the recertification period. The auditors verified that Noche Buena retains copies of training records by randomly requesting information of the workers interviewed during the field visit. Training is recorded on sign-in sheets with training records signed by both trainer and trainee.

Task observations by supervisors are used to evaluate competency of workers and effectiveness of training. Evaluation of the cyanide training received is by observation of tasks (working cycles) performed by workers to ensure they are following appropriate work procedures and using suitable PPE when working with cyanide. The auditors reviewed the checklist used to conduct these task observations, and interviewed workers at the CIC, leaching facilities and cyanide mixing area. In addition, written tests are also used to evaluate effectiveness of training. Written tests of training on operational procedures for 2021 were not available for review, however, Noche Buena regained control of the situation and retained records of written tests since January 2022.

Training records documenting the training that was received are retained throughout an individual's employment. Training records include the name of the trainer, trainee, date, subject covered and is signed by both the trainer and trainee. Written and verbal tests are completed to demonstrate the employees' understanding of the training materials.

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

Describe the basis for the Finding/Deficiencies Identified:

All process operators and maintenance personnel that conduct cyanide related tasks including cyanide mixing and production, are provided with site-specific hazard training including cyanide awareness, HCN monitoring, emergency response, recognition of cyanide exposure symptoms, cyanide exposure first aid, and actions to be taken in the event of a cyanide spill. The Emergency Brigade team members also receives training to respond to cyanide emergencies, including procedures to decontaminate a cyanide exposure victim. Response procedures are covered during hazard and awareness training and during cyanide refresher training. Process personnel and contractors were interviewed and demonstrated good awareness of what actions are to be taken in the event of a cyanide release.

Noche Buena has an Emergency Brigade (EB) on site. The EB has a total of 28 brigade members (7 from the emergency response area and 21 from different areas of the mine). There is a minimum of 8 brigade members per shift. EB members are trained through participation in mock drill exercises as well as formal training programs. The auditors interviewed members of the emergency response team and found them to have received training on cyanide hazards and to be knowledgeable on how to manage cyanide releases, including use of response equipment. Mock scenarios and drills are regularly undertaken to test the effectiveness of the EB. The review of drill reports for the recertification period showed that the EB actively participated in emergency drills including scenarios involving cyanide emergencies. Draslovka provided training in cyanide management, emergency response and cyanide exposure treatment to process, maintenance, emergency brigade and medical personnel in 2019, two times in 2020, in February and November 2021, and most recent in June 2022. This training included topics such as cyanide risks; health effects; cyanide controls; and emergency response; among others. Reviewed training records confirmed that trainers had received training from Draslovka on cyanide handling. The session in June 2022 included the participation of external responders such as firemen, police, and medical personnel from Caborca and Puerto Peñasco.

No outside emergency responders would be included in an emergency response to a cyanide release. The ERP does not provide specific functions to outside responders as Noche Buena has the resources, equipment and first response capabilities to deal with cyanide related releases and exposures during transportation and within the mine facility. In case of cyanide exposures, it is expected that any victim will be treated for cyanide on-site, and once it has been stabilized, the doctor will decide if transfer to the Santa Fe clinic is required to provide additional medical care. Noche Buena organized in February 2021 a virtual training session on medical treatment of cyanide intoxication patients with participation of doctors, nurses and paramedics from the mine site as well as contractors and medical personnel from the Santa Fe Clinic. This training is conducted every two years, however, in 2020 was suspended due to COVID-19 pandemic restrictions and was rescheduled for 2021. In June 2022 Draslovka provided training in cyanide management, emergency response and cyanide exposure treatment to process with the participation of external responders such as firemen, police, and medical personnel. The auditors verified that Noche Buena maintains sufficient medical resources, infrastructure and equipment that would not require to treat exposed patients to cyanide in medical facilities off-site.

Annual refresher training including cyanide is provided in Noche Buena. Module “Use and Handling of Sodium Cyanide” presentation provides information about the production process and the use of cyanide, its characteristics, health effects, risks, controls, storage and handling, PPE, signage, areas of risk, fires, spills, HCN monitors, symptoms, first aid, and emergency response. The training includes a written test. In 2020, this training was provided in virtual mode. Additional training is also provided by external personnel (e.g. Draslovka). Besides the annual cyanide refresher training, Noche Buena also provides re-training on operating procedures, which includes cyanide hazards and controls, and is performed following a biannual training program. Refresher training on procedures is tracked and records are signed by both the

supervisor and the trainee. Personnel interviewed showed a good level of awareness of emergency response procedures in the event of a cyanide exposure or release.

Training records, including refreshers and cyanide hazard training for Noche Buena personnel are retained by each area of the mine in the form of hard copies and also in electronic version stored in Microsoft Excel spreadsheet format. Training records were reviewed for the recertification period and were found to be complete. Training records identify the trainer, trainee, topics covered, date and sign off sheet. This requirement was verified through review of a sample of records for the recertification period of workers interviewed during the field visit. Operators and maintenance personnel and contractors were interviewed and demonstrated good awareness of what actions are to be taken in the event of cyanide release.

9. DIALOGUE AND DISCLOSURE: Engage in public consultation and disclosure.

Standards of Practice

9.1 Promote dialogue with stakeholders regarding cyanide management and responsibly address identified concerns.

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

Describe the basis for the Finding/Deficiencies Identified:

Noche Buena continued implementing an “open doors” policy in terms of community engagement and continue using established mechanisms, to provide opportunities to stakeholders to communicate their concerns related to cyanide management, including engagement programs, meetings, and tours to the mine site. There is one Community Relations department in charge of community / social / communication matters for both the Noche Buena mine and the nearby La Herradura mine, which is also owned by Penmont. For the recertification period, Noche Buena continued with the program for stakeholders to visit the mine, including schools, universities, authorities, medical institutions, journalists, among others. The mine tours include a presentation and explanation of the production process, the use of cyanide and the controls in place to avoid groundwater contamination, which is one of the main points of concern of the surrounding communities in relation to cyanide. This program was suspended between March 2020 and September 2021 due to COVID-19 pandemic restrictions, and was partially resumed in 2022, with the expectation to be fully resumed by October 2022. The mine usually conducts 5 to 6 mine tours per month. In August 2022, the Sonora Governor and the Caborca Municipal President visited Penmont operations, including cyanide facilities.

Noche Buena has developed a flyer called “Cyanide uses” that includes information about the process, the use of cyanide and emergency response. These flyers are distributed in meetings with communities and stakeholders, and during the mine tours. A video of the production process including the use of cyanide are also presented to visitors in the mine tours. This video is also presented to new employees arriving on site. In April 2022, Noche Buena conducted training sessions to communities from the influence area of the mine that covered safety and environmental information, including information about emergency response, cyanide management and medical treatment. In September 2022, Noche Buena also organized a SSMARC (Health and Safety, Environment and Community Relations) fair in Caborca which was open to the public and Penmont shared information about its mining activities. In July 2020, Noche Buena distributed press releases to the local and regional media about its compliance with the Cyanide Code.

Noche Buena also has a grievance mechanism in place to receive, process, manage and resolve complaints and grievances in a timely and consistent manner. Complaints and grievances are registered and managed in the information management system Borealis. There is an office in Caborca where stakeholders can file a complaint or request information about Noche Buena. There have been no cyanide related complaints for the recertification period. Every two years, Noche Buena conducts a perception study in the local communities to evaluate its social management programs and includes questions about contamination and management of hazardous materials. The most recent perception study, dated November 2021, included opinions about contamination from the mine, but does not specifically reference cyanide as an issue. The Community Relations department maintains a community engagement plan, including meetings with communities and families, which represents an opportunity to raise questions about any subject, including cyanide management. Noche Buena, in conjunction with its contractors, implements awareness campaigns in communities on environmental matters, such as Environmental world day, Water world day, environmental awareness campaigns in schools, among others, In these campaigns, Noche Buena provides information about the production process including cyanide use. In 2020, Noche Buena organized a webinar about environmental matters and the COVID 19 pandemic, and in March 2022, organized a face to face meeting with communities and local authorities on environmental matters as part of the celebrations of Water World day. In June 2022, Noche Buena organized a webinar on environmental matters as part of the celebrations of the Environmental world day. In addition, the Fresnillo plc corporate website at http://www.fresnilloplc.com/corporate-responsibility/environment/cyanide-management-code/, provides information in English and Spanish on cyanide and the Code, as well as contact links for sustainability personnel through whom concerns or inquiries related to Noche Buena use of cyanide can be addressed.

9.2 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 9.2

Describe the basis for the Finding/Deficiencies Identified:

Noche Buena has developed written and visual descriptions of how their activities are conducted and how cyanide is managed, and has made these available to communities and other stakeholders. These include:

- A flyer called “Cyanide uses” that includes information about the process, the use of cyanide and emergency response. These flyers are distributed in meetings with communities and stakeholders, and during the mine tours.
- Power Point presentations that are provided in the mine tours that include an explanation of the production process, the use of cyanide and the controls in place to avoid groundwater contamination, which is one of the main points of concern of the surrounding communities in relation to cyanide.
- Video of the production process and the use of cyanide that is also presented to visitors during the mine tours.
- The Fresnillo plc website that includes information about the Cyanide Code.
- Presentations about cyanide (e.g. general induction, others) to the workers and contractors that live in Caborca and close communities.

The information mentioned above is made available and distributed in different engagement opportunities with communities and stakeholders in general. Stakeholders may pose questions or raise concerns to Noche Buena directly during the mine tours, during meetings, and via contact information provided on the website, among others.

Information is disseminated in a variety of forms, including verbal form in community meetings, face to face meetings, mine tours, video, and radio and tv spots, among others. The people from the communities located around the mine speak and write in Spanish. Noche Buena provides information on cyanide in written format (i.e. cyanide flyer), visual form (i.e. process video) and verbal form (i.e. presentations provided to communities during meetings). The information provided uses diagrams, drawings and photos, and explains aspects in simple language. Records and materials of these meetings were reviewed.

Information on cyanide-release scenarios would be made available publicly by means of local community meetings and by reporting to regulatory agencies in Mexico. Information on cyanide releases would also be included in the annual corporate responsibility report, separately identifying any incidents occurring in Noche Buena so that stakeholders would be aware of the nature and location of the release. Noche Buena has provisions in place to make information publicly available regarding potential cyanide releases or exposure incidents, if any such incidents were to occur. No cyanide exposures or incidents resulting in hospitalization or fatality have occurred prior to or since the mine was first certified. In case it occurs, it will be communicated to the Mexican Institute of Social Security (IMSS) and the Work and Social

Prevention Secretary (STPS). These federal agencies would make the information available to the public through its website. No cyanide releases off the mine site requiring response or remediation have occurred for the recertification period. In case it occurs, the Environmental department will communicate it within 3 days of occurrence to PROFEPA (Federal Environmental Protection Authority). Information reported to PROFEPA is made available to the public though its website. No cyanide releases on or off the mine site resulting in significant adverse effects to the environment have occurred for the recertification period. In case it occurs, the Environmental department will communicate it to PROFEPA. No cyanide releases on or off the mine site requiring reporting under applicable regulations have occurred for the recertification period. In case of occurrence, the emergency procedure requires the site to communicate the incident to the PROFEPA following the established protocols, timeframes and reporting forms. No cyanide releases that are or that cause applicable limits for cyanide to be exceeded have occurred for the recertification period. In case it occurs, the Environmental department will communicate it to PROFEPA.