

**Golder Associates Inc.**  
44 Union Boulevard, Suite 300  
Lakewood, CO USA 80228  
Telephone: (303) 980-0540  
Fax: (303) 985-2080  
www.golder.com



**INTERNATIONAL CYANIDE MANAGEMENT CODE  
GOLD MINING OPERATION VERIFICATION AUDIT  
EL SAUZAL MINE, MEXICO**

**SUMMARY REPORT**

*Submitted to:*

*Goldcorp Mexico  
Pino Suarez No. 308 Ote.  
Col. Centro  
Durango, Durango 34000*

*and*

*International Cyanide Management Institute  
1200 G Street N.W, Suite 800  
Washington, D.C. 20005*

*Submitted by:*

*Golder Associates Inc.  
44 Union Boulevard, Suite 300  
Lakewood, Colorado 80228*

March 21, 2008

063-2129

Name of Project: El Sauzal Mine

Project Owner / Operator: Goldcorp Mexico, a wholly owned subsidiary of Goldcorp Inc.

Name of Responsible Manager: Fernando Aguilar Dumas, General Manager

Address and Contact Information: El Sauzal Mine  
Minas De La Alta Pimeria S.A. de C.V.  
Obregon 854 Pte.  
Col. Centro  
Los Mochis, Sinaloa CP 81200

Tel: 52-668-816-0180 Ext. 301  
Fax: 52-668-816-0189

Email: Fernando.Aguilar@Goldcorp.com

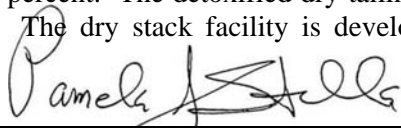
Audit Dates: December 11-13, 2007

### Location and Description of Operation

The El Sauzal Mine (El Sauzal), operated by Goldcorp Inc.'s wholly owned subsidiary Goldcorp Mexico, is located in Chihuahua, Mexico approximately 250 kilometers southwest of the state capital Chihuahua City. The climate is semi-tropical with hot summers (as high as 42 degrees C) and mild winters (10-15 degrees C). The El Sauzal region is mountainous, forming part of the Sierra Madre mountain chain with elevations ranging above 2,000 meters in certain parts. The mine is accessed from the city of Los Moches located near the Pacific Coast at the intersection of Highways 15 and 23 to the City of Choix along Highway 23. El Sauzal has constructed an access road from Choix approximately 60 kilometers to the mine. El Sauzal receives approximately 800 millimeters of precipitation per year with most of the rainfall occurring during July and August. The maximum mean monthly precipitation occurs in July and is approximately 250 millimeters. Average annual evaporation is estimated at 2,400 millimeters per year.

The El Sauzal Mine is comprised of an open pit mine, waste rock storage areas, a cyanide leach process with carbon-in-pulp processing, tailings cyanide detoxification plant using both Caro's acid and INCO SO<sub>2</sub> processes, tailings dewatering filter press facility to develop dry tailings, and an Adsorption, Desorption and Recover (ADR) processing plant to recover gold and silver. The open pit has been developed by conventional mining methods using trucks and loaders to extract gold-bearing ore. The waste is transported by trucks to the storage area developed specifically for this purpose. Ore is processed through the milling and grinding circuit prior to leaching in process tanks. The process area is constructed within concrete secondary containments that cascade to the tailings detoxification plant and filter press with an emergency overflow to the Emergency Pond that provides storage capacity for extreme storms and drainage of the single largest process tank. The Emergency Pond is maintained empty with available cyanide detoxification chemical to use in case of emergencies. The tailings detoxification plant at El Sauzal treats the slurry from approximately 150 mg/L free cyanide to below 2 mg/L total cyanide. After the detoxification step, the tailings slurry is thickened and then pumped to filter presses for the removal of all free moisture. The dry tailings have a moisture content of approximately 13 percent. The detoxified dry tailings are conveyed from the filter presses to the Tailing Dry Stack. The dry stack facility is developed in an ephemeral

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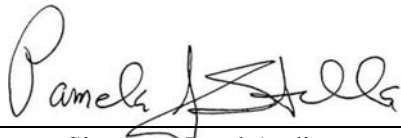
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drainage below the process facilities. The dry tailings are pushed and further compacted by dozers. No free water is associated with the dry stack tailings. The ephemeral drainage will be filled with dry stack tailings over an engineered underdrain system with upstream surface water controls. The dry stack is currently stabilized by a rockfill shell and as the facility advances across the ephemeral drainage it will be stabilized with a rockfill dam and with sedimentation control below the dam. This sedimentation pond is maintained below the Dry Stack Tailings Facility to control sediment prior to ephemeral flow into the Rio Urique. Because El Sauzal employs dry stack tailings with no free process water and no water impoundment, the site has a very simplified water balance and water management strategy. Process water is added to the ore in the milling and grinding circuit. The process is entirely contained in tanks and pipelines. Process water is removed from the tailings prior to dry stacking and reused in the process. The secondary containments and Emergency Pond are sized and operated to collect and contain extreme storm events and or process spills.

El Sauzal adds reagent strength cyanide in leach tanks to develop a pregnant leach solution. El Sauzal uses a CIP and ADR process to recover the gold and silver from the pregnant leach solution. El Sauzal has two secure cyanide storage areas: 1) solid sodium cyanide Flo-Bin® warehouse, and 2) liquid mixing and storage area within the process area. El Sauzal has developed and implemented a number of operational procedures for the safe storage, handling and mixing of solid sodium cyanide briquettes into reagent-strength cyanide solution. The cyanide storage mixing and storage tanks are located outside and within concrete containments with spill collection sumps. The area has appropriate venting from the mixing tank, hydrogen cyanide (HCN) monitoring at both the ground level and upper deck of the mixing equipment, and high-level alarms to prevent overflowing. pH levels are controlled by adding lime at the thickener tank prior to the milled ore entering the leach circuit. El Sauzal stores and manages sodium cyanide in engineered tanks, pipelines and a lined emergency pond constructed under appropriate quality control and quality assurance programs. All cyanide pipelines are color coded to identify the content with the flow directions marked. El Sauzal employees are trained in cyanide hazards and first aid, first response, emergency response, and specific operational tasks. El Sauzal has site security and fencing to prevent wildlife, livestock and unauthorized personnel access to the property. Within the property, key facilities are fenced to preclude wildlife and livestock from entering cyanide process areas. El Sauzal employs comprehensive inspection and preventive maintenance programs to assure that all cyanide equipment and facilities are functioning as designed and to monitor process solutions. El Sauzal has developed concept level closure and reclamation plans and procedures to complete the appropriate management of cyanide solutions and solids, and the decontamination of cyanide pipelines and equipment. El Sauzal has developed conservative cost estimates to support third party decommissioning of the cyanide equipment and facilities. Goldcorp has provided information that indicates the company meets the financial tests for a corporate guarantee for the closure of the mine.

El Sauzal receives solid sodium cyanide from DuPont De Nemours & Co., Inc. (DuPont) delivered to the site in Flo-Bins® within transport containers. The DuPont sodium cyanide supply chain has been audited for due diligence and compliance with the ICMC by qualified Code auditors. The sodium cyanide supply chain is managed by DuPont, a signatory company to the Code and certified as compliant with the Code by third-party auditors. El Sauzal has sufficient warehouse storage capacity to limit the number of cyanide deliveries during the rainy season. El Sauzal has an emergency response team that is trained to respond to onsite fires, chemical spills and worker exposures to cyanide.

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Name of Facility	Signature Lead Auditor	Date

Audit Dates: December 11-13, 2007  
Auditors: Pamela J. Stella, Lead Auditor  
Scott H. Miller, Gold Mining Technical Expert Auditor  
Gisella Aguinaga, Gold Mining Technical Auditing Support


**The operation is**  **in full compliance with**  
 in substantial compliance with **All Code Principals**  
 not in compliance with

Audit Company: **Golder Associates Inc.**  
Audit Team Leader: **Pamela J. Stella, CEA**  
E-mail: [Pamela\\_Stella@golder.com](mailto:Pamela_Stella@golder.com)

Names and Signatures of Other Auditors:

**Scott H. Miller, CEA**

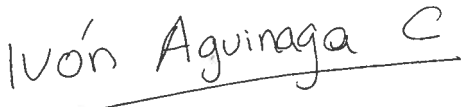
Scott H. Miller  
Name of Auditor

  
Signature of Auditor

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**Gisella Aguinaga**

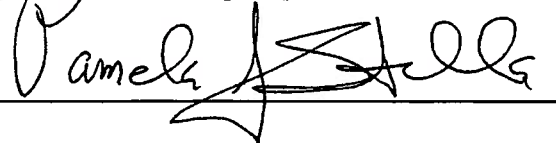
Gisella Aguinaga  
Name of Auditor

  
Signature of Auditor

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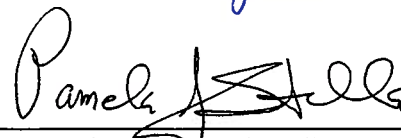
I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management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

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

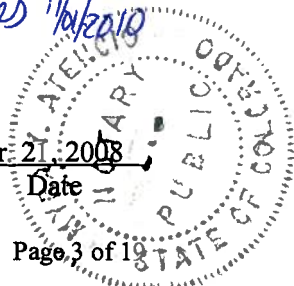
  
Signature of Lead Auditor

*Myra Y. Atencio*  
Notary Public, State of Colorado  
My Commission expires 11/22/10

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

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

**in full compliance with**

**The operation is**  in substantial compliance with **Standard Practice 1.1**

not in compliance with

**Basis for Audit Finding:** El Sauzal has committed to only purchase cyanide from producers that are compliant with the International Cyanide Management Code (ICMC). Goldcorp Inc. (Goldcorp) has a supply contract with DuPont De Nemours & Co., Inc. (DuPont) to provide sodium cyanide at El Sauzal. DuPont has been audited by third-party independent and ICMI qualified auditors and certified as compliant under the ICMC.

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

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


**in full compliance with**

**The operation is**  in substantial compliance with **Standard Practice 2.1**

not in compliance with

**Basis for Audit Finding:** El Sauzal has a sodium cyanide supply contract with DuPont, which specifies that the operation takes ownership of the cyanide at the time of delivery. DuPont is by contract solely responsible for the production and transport of sodium cyanide to the delivery point at El Sauzal. DuPont is a signatory producer to the ICMC and subcontracts the supply chain transportation from Memphis, Tennessee to the mine. Sodium cyanide is transported in one-ton Flo-Bins® to the El Sauzal mine. The supply chain is comprised of truck and rail transportation to the US-Mexican border at Nogales, Arizona. From Nogales, the sodium cyanide railcars are transferred to a Mexican railroad operator for transportation to a DuPont operated warehouse in Hermosillo, Mexico. DuPont manages the unloading and the interim storage at the warehouse until the Flo-Bins® are loaded and hauled to the mine by truck. All subcontractors have been subject of a formal audit or a less formal due diligence by ICMI-qualified auditors. According to these third-party audits and due diligence reports the transportation subcontractors are compliant or at least consistent with the ICMC with clear lines of responsibility for safety, security, release prevention, training, and emergency response.

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

**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 2.2**  
 not in compliance with

**Basis for Audit Finding:** DuPont is by contract solely responsible for the production and transport of cyanide to the delivery point at El Sauzal. The supply chain is comprised of truck and rail transportation to either the Port of New Orleans, Louisiana or the Port of Jacksonville, Florida. DuPont loads intermediate bulk container (IBC) Flo-Bins into railcars and then Canadian National Railroad (CN) transports the railcars from the Memphis plant to the Union Pacific Railroad (UP). UP transports the railcars to the US – Mexico border at Nogales, Arizona. At the border, Ferrocarril Mexicano Railroad (Ferromax) transports the railcars to the DuPont warehouse in Hermosillo. The Flo-Bins are unloaded from the railcars at the Hermosillo warehouse for interim storage and ultimately loading and hauling to the El Sauzal Mine by Transportes Especializados Segutal, S.A. de C.V. (Segutal). El Sauzal, DuPont and Segutal have defined clear lines of responsibility for safety, security, release prevention, training, and emergency response.

DuPont is a signatory producer to the ICMC and has conducted audits and due diligence by qualified third-party independent auditors on the transportation security, safety, training and emergency response aspects. None of the supply chain subcontractors are signatory to the ICMC; however all subcontractors have been subject of a formal audit or a less formal due diligence by an ICMI qualified auditor.

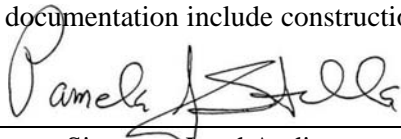
**3. HANDLING AND STORAGE:** *Protect workers and the environment during cyanide handling and storage.*

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

**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 3.1**  
 not in compliance with

**Basis for Audit Finding:** El Sauzal uses a dedicated warehouse where the one-ton Flo-Bin® intermediate bulk containers (IBC) are stored. Warehouse personnel move the solid cyanide from the storage building on an as-needed basis to the cyanide mixing and storage area in the plant containment area. The design and construction of the cyanide warehouse, mixing and storage facilities have been completed appropriately as documented in final design and construction drawings prepared by qualified Professional Engineers. The cyanide warehouse, mixing and storage facility quality control and assurance procedures and documentation include construction level drawings with

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detailed specifications noting foundation compaction and concrete reinforcement, and piping and tankage materials. The liquid cyanide storage tanks each have a high-level alarm and level indicator. The cyanide mixing and liquid storage area is located outside with adequate ventilation and with a fan driven tank ventilation system operated during mixing. During unloading at both cyanide storage areas, traffic and access is controlled by the operators with warning cones. The cyanide warehouse and the mixing and storage areas are within concrete containments to contain releases and precipitation that may contact cyanide. As also covered under Standard of Practice 4.7, the mixing and liquid storage containment area is constructed and interconnected with the plant area concrete containment area for spill prevention and the containments sized to contain 110 % of largest tank volume. Both the solid cyanide storage and the mixing / liquid storage areas are secure and located away from surface water resources and access by untrained personnel.

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

- in full compliance with**
- The operation is**  in substantial compliance with **Standard Practice 3.2**
- not in compliance with

**Basis for Audit Finding:** El Sauzal has developed Standard Operating Procedures (SOPs) to prevent exposure and releases of cyanide during unloading from the sea cargo containers and stacking, mixing and storage, and processing. The SOPs consist of “*Tarea: Descarga De Cianuro De Sodio (Briquestas)*” (Unloading of Sodium Cyanide Briquettes) and “*Tarea: Preparacion de Cianuro de Sodio Liquido al 25%*” (Preparation of Liquid Cyanide 25% Strength) that covers the responsibilities for the cyanide storage, handling and mixing. The procedures require that cyanide boxes be stacked no more than two Flo-Bins® high during unloading of trucks or within the warehouse. The procedures also require that all cyanide mixing be completed by qualified operators under the observation by another qualified operator. Personnel protection equipment requirements during cyanide box movement or cyanide mixing include a Tyvek ® suit, hardhat, full-face dust mask, rubber boots, and gloves. El Sauzal uses inspection forms and a computer database preventative maintenance program that identifies and tracks all maintenance activities at the unloading and the storage warehouse and tank areas. As also covered under Standard of Practice 4.1, El Sauzal has an inspection program that includes daily and monthly inspections. Findings from the inspections are entered into work requests, and then work orders implemented when required. Contingency planning documents have been developed and implemented to address power failure, and spills.

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

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

**in full compliance with**

**The operation is**  in substantial compliance with **Standard Practice 4.1**

not in compliance with

**Basis for Audit Finding:** El Sauzal has developed and implemented operator task-specific SOPs that address protection of human health and the environment for the operation of the cyanide leach and carbon-in-pulp (CIP) circuit, and the two step cyanide detoxification and tailings dewatering. In addition, these SOPs and operating plans were found to have adequate contingency planning, routine inspections, and a preventive maintenance program. SOPs address all the cyanide management tasks such as unloading and storage of cyanide boxes, mixing of liquid cyanide, cleaning and return of Flo-Bins, ore processing and cyanide detoxification. El Sauzal has also developed and implemented a procedure (Tarea: Cambios de Parametros de Disenos Operativos, Metalurgicos o Mantenimiento en el Proceso – Task: Change of Parameters for Design of Operation, Metallurgy and Maintenance) to identify and evaluate changes in operation related to safe management of cyanide. In addition, El Sauzal has implemented a procedure called “Tarea: Desalojo de Pulpa o Solucion Cianurada De Pileta de Emergencia” (Task: Removal of Tailings Pulp and Solution from the Emergency Pond) that describes specific water balance upset conditions and management for temporary shutdown. Contingency planning documents have been developed and implemented to support the process solution and pond management, control of solution inventory during power failure, and extreme rainfall events. El Sauzal uses power from the grid with the back up capability to generate their own electricity onsite with additional backup generators to ensure that essential process equipment and systems continue to operate during power failures. El Sauzal conducts inspections that include regular testing of the backup power generators. El Sauzal uses MainBoss® Asset Management software to identify, issue work orders and document all preventive maintenance activities.

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

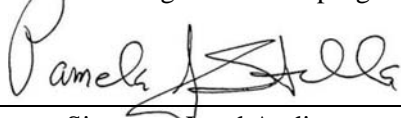
**in full compliance with**

**The operation is**  in substantial compliance with **Standard Practice 4.2**

not in compliance with

**Basis for Audit Finding:** El Sauzal has a formal procedure and program to evaluate and determine the optimal cyanide addition rates. The procedure “Cambios de Parametros en el Proceso (Changing the Process Parameters) is based on metallurgical design criteria developed in project planning and gained from process experience and subsequent testing. El Sauzal has implemented a procedure for the revision of the cyanide application rate based on ore grade. This program includes regular ore

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grade sampling and bottle roll tests based on geologic observations. The direct impact of cyanide destruction costs versus gold recovery has required that El Sauzal understand and evaluate various control strategies. El Sauzal does not use tailings as underground backfill.

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

**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 4.3**  
 not in compliance with

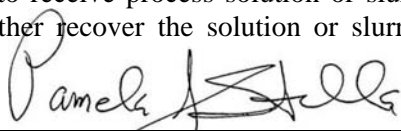
**Basis for Audit Finding:** El Sauzal has developed a comprehensive process flowsheet and water balance that is tracked and updated with actual process values on a monthly basis. This process water balance appropriately characterizes the water inflows including direct precipitation, ore moisture content and make up water; and water losses including moisture lost to the dry stack tailings. The El Sauzal water balance is greatly simplified due to the tailings dewatering and recycling of the water back into the process circuit prior to dry stack. The water balance considers the containment and ultimate use in the process of extreme storm events. The water balance elements include the process area and containments, the tailing slurry cyanide destruction and dewatering plant, and the emergency pond. The Dry Stack Tailings Facility is not part of the water balance because the Dry Stack does not contain process water nor impound stormwater. The Dry Stack Tailings Facility has upgradient and internal operational surface water controls, and a downstream starter dam and a lower sedimentation pond. Subsequent phases of the Dry Stack Tailings Facility will include an engineered underdrain to collect springs and seeps and route this water underneath the Dry Stack Tailings Facility for outflow below the starter dam and above the Sedimentation Pond. The upstream diversions are sized to route the 100-year, 24-hour storm event. The operational diversion structures are phase specific and designed to convey the 10-year, 2-hour storm event. And finally, the sedimentation pond has an engineered spillway cut into the adjacent hill side to convey the 100-year, 24-hour storm event.

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

**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 4.4**  
 not in compliance with

**Basis for Audit Finding:** El Sauzal has implemented several different measures to restrict access by wildlife and livestock to open solutions containing cyanide. The primary approach employed is to eliminate open process solution, therefore El Sauzal does not use process ponds and impoundments. The process solutions are stored and conveyed within tanks and pipes, there are no process ponds, ditches or impoundments. The process tanks include leach tanks and thickeners with agitation, and CIP tanks with agitation which do not represent a risk for bird use. Cyanide is recovered from a pulp thickener as the solids content goes from 55 to 65 % prior to cyanide destruction. After cyanide detoxification the tailings are dried and the recovered process solution is returned to the process in a pipeline. The Emergency Pond is designed to receive process solution or slurry overflow from the plant. There are procedures in place to either recover the solution or slurry within 24 hours or

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solutions contained within the Emergency Pond can be detoxified using sodium hypochlorite. El Sauzal has been successful in preventing wildlife mortalities by eliminating open water sources with cyanide.

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

**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 4.5**  
 not in compliance with

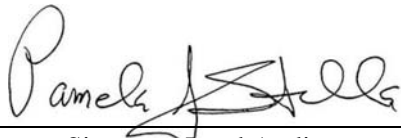
**Basis for Audit Finding:** El Sauzal does not discharge cyanide process solutions to surface water. El Sauzal discharges the detoxified dry tailings with a moisture content of approximately 13 %. An indirect discharge related to consolidation of the tailings results in small volumes and low concentrations (<0.2 mg/L WAD cyanide) of cyanide reporting to the Sedimentation Pond below the dry stack tailings. Water quality monitoring in the Rio Urique indicates that WAD cyanide is below the detection limit of 0.003 mg/L. Results from water samples collected in the Sedimentation Pond (PS-02) below the Tailings Dry Stack Facility indicated concentrations of free and WAD Cyanide ranging from non-detect to 0.011 mg/L and from 0.003 to 0.176 mg/L, respectively. El Sauzal has implemented a program to measure both WAD and free cyanide at the PS-02 to carefully monitor water quality to assure compliance with the ICMC during the life of the facility construction. Review of the operation performance history, design criteria and the project water balance indicate that the other process facilities are zero-discharge. Spill prevention and emergency response plans have been developed to comply with the zero-discharge operating requirements.

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

**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 4.6**  
 not in compliance with

**Basis for Audit Finding:** El Sauzal has implemented measures to manage seepage and protect beneficial groundwater uses. The tailings are being detoxified (to below 2 mg/kg total cyanide) and dewatered to eliminate the need for seepage control such as liners. The process facilities have secondary containment to eliminate seepage. El Sauzal has constructed an emergency pond and sediment control ponds below the key process facilities. El Sauzal is the local beneficial user of groundwater and has water supply wells in alluvium adjacent to the river. There are no groundwater resources on the steep valley slopes as the soil is shallow and daylight to bedrock in the arroyos. El Sauzal has no groundwater monitoring points and there is no established groundwater standards or compliance points.

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

- in full compliance with**
- The operation is**  in substantial compliance with **Standard Practice 4.7**
- not in compliance with

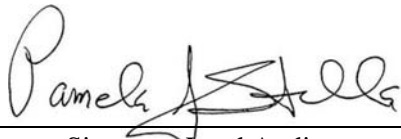
**Basis for Audit Finding:** El Sauzal has secondary curbed or walled concrete containments for all cyanide storage and processing areas. Other secondary containments include cut half-pipes suspended below overhead process solution pipelines or welded trays underneath pipeline racks. The secondary containments in the cyanide processing areas have been designed to contain at least 110 % of the largest tank volume and the 100-year, 24-hour storm event. Secondary containments in the process areas have automated pumping systems for collection and management of process leakage. SOPs have been developed to address management of spill response and clean-up within the containments. Review of the operation indicates that all tanks, piping and containments are constructed of materials appropriate for handling high pH cyanide solutions.

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

- in full compliance with**
- The operation is**  in substantial compliance with **Standard Practice 4.8**
- not in compliance with

**Basis for Audit Finding:** The project construction of process facilities has been verified by qualified engineering companies and includes detailed quality control / quality assurance (QC/QA) data collection and documentation. The QC/QA documents indicate that the construction was completed according to engineering standards and specifications. El Sauzal has committed to retain all QC/QA information.

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

**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 4.9**  
 not in compliance with

**Basis for Audit Finding:** El Sauzal has environmental monitoring programs developed to evaluate the performance of the cyanide management systems on wildlife, and surface and groundwater quality. The environmental programs have been prepared, approved and implemented by qualified professionals and include all appropriate sampling and analysis documentation. Review of field sampling forms, chain of custody and quality assurance data was completed. El Sauzal monitors water quality monthly in the Sedimentation Pond below the Tailings Dry Stack Facility (PS-2), monthly up and downstream of the operation on the Rio Urique (P-1 and P-3), daily measurements of total cyanide in the dry tailings, and as needed within the Emergency Pond. Water quality results at the contact point between the ephemeral arroyo and the Rio Urique is below the 0.022 free cyanide requirement for the protection of aquatic life. Groundwater quality is measured and reported to the authorities for water supply wells on an annual basis.

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

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

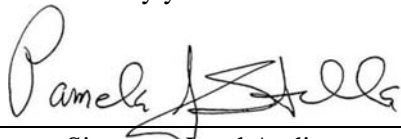
**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 5.1**  
 not in compliance with

**Basis for Audit Finding:** El Sauzal has developed concept level plans to decommission the cyanide facilities in a document titled "Cyanide Facilities Decommissioning Plan" dated December 2006. This is a "general" plan for the site to support the Code compliance and cost estimation. Cyanide facilities covered under the Decommissioning Plan include:

- Crushing, Milling and Thickening;
- Leaching and CIP;
- Thickening and Detoxification of Tailings;
- Adsorption, Desorption and Reactivation;
- Metallurgy Lab

El Sauzal has developed an implementation schedule that considers the treatment and discharge and/or evaporation of all process solution, detoxification and rinsing of equipment, and removal and decommissioning of ponds and other containments. Goldcorp internal corporate procedures require a review and update of closure plan and costs estimate every year.

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

- in full compliance with**
- The operation is**          in substantial compliance with      **Standard Practice 5.2**
- not in compliance with

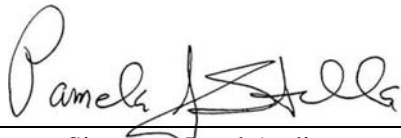
**Basis for Audit Finding:** El Sauzal has developed cost estimates with sufficient detail to support third party decommissioning for the full closure of the cyanide-related facilities and activities. Goldcorp is providing a corporate self guarantee to cover the full cost of cyanide facility decommissioning at El Sauzal. In support of the corporate self guarantee, Goldcorp provided a report from qualified financial auditors that evaluated Goldcorp audited financial records for their ability to meet financial tests for financial self guarantee for its cyanide-related decommissioning activities using 40 CFR 264.143(f), 30 CRF 800.23, and 10 CFR 30, and in accordance with standards established by the American Institute of Certified Public Accountants.

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

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

- in full compliance with**
- The operation is**          in substantial compliance with      **Standard Practice 6.1**
- not in compliance with

**Basis for Audit Finding:** El Sauzal has identified potential cyanide exposure scenarios and developed procedures and plans to eliminate, reduce and control exposure. El Sauzal operating plans and individual task specific SOPs provide details for safe operation of cyanide equipment, personal protective equipment requirements, work area job hazards and inspection requirements. El Sauzal has daily and weekly safety meetings to provide information and training to employees as well as solicit input from employees on worker safety issues. El Sauzal has a Change Management procedure (This document is called "Cambios de Parametros de Diseños Operativos, Metalurgicos o Mantenimiento en el Proceso"). This procedure addresses any process change with the potential to impact the environment or worker safety and requires any proposed changes in process operations and cyanide management be formally evaluated with the area superintendents in collaboration with the supervisor/foreman responsible for the process change prior to implementation. The procedure requires the identification of hazards, environmental aspects and a formal risk evaluation. All changes are communicated to the workforce and training requirements updated.

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

- in full compliance with**
- The operation is**  in substantial compliance with **Standard Practice 6.2**
- not in compliance with

**Basis for Audit Finding:** El Sauzal has developed SOPs for the cyanide usage areas designed to prevent the generation of hydrogen cyanide (HCN) gas and has located key cyanide process facilities in areas open to ambient air or in well-ventilated buildings with appropriate HCN monitors. El Sauzal has defined process equipment and standard operational plans for control of cyanide and pH to prevent the formation of hydrogen cyanide gas. Fixed HCN monitors and alarms are located inside the cyanide mixing area, leaching area and detoxification area. All operators of cyanide usage areas are required to carry mobile HCN monitors. HCN monitoring information is evaluated and compiled to monitor work practices and identify potential areas of concern. El Sauzal also has mobile HCN detectors for use in confined space entry. El Sauzal has established requirements for personal protective equipment at all relevant process areas and for all cyanide-related activities. El Sauzal has implemented monitoring equipment maintenance and calibration programs. El Sauzal has installed safety showers with low-pressure eyewash stations and non-acidic fire extinguishers at relevant cyanide usage areas. El Sauzal provides the cyanide safety information (first aid procedures including Material Data Safety Sheets in the language of the workforce) in areas where reagent grade cyanide is in use and in the process control room. El Sauzal has developed an investigation procedure to report and investigate all cyanide-related incidents (Procedimiento de Investigacion de Incidentes Ambientales para Derrames por Ejemplo en las Columnas CIP).

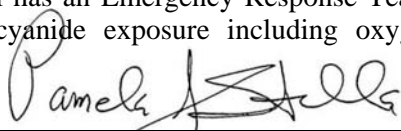
Warning signs are in areas where cyanide is used to alert workers that cyanide is present and that smoking, open flames, eating and drinking are not allowed. Warning signs also include the use of PPE. Unloading, storage, mixing and process tanks and piping containing cyanide are identified to alert workers of their contents, and the direction of cyanide flow in pipes is designated.

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

- in full compliance with**
- The operation is**  in substantial compliance with **Standard Practice 6.3**
- not in compliance with

**Basis for Audit Finding:** El Sauzal has developed an Emergency Response Plan and cyanide safety SOPs, and implemented the plan and procedures through training and installation of emergency response equipment. El Sauzal has safety equipment including safety showers with low-pressure eyewash stations, first aid equipment (amyl nitrite, sodium nitrite, sodium thiosulphate, conventional defibrillator, medical oxygen bottles, and resuscitators), emergency response vehicles (an ambulance and a firetruck), and employee first aid training. El Sauzal inspects its first aid equipment on a regular basis. El Sauzal has an Emergency Response Team for all shifts. The team is trained to provide first aid for cyanide exposure including oxygen and amyl nitrite

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administration. Cyanide exposure antidotes are stored and replaced in accordance with the manufacturer's requirements at the mixing area, plant control area, metallurgical laboratory, medical facility and industrial safety office. In the event of a worker exposure, El Sauzal will provide onsite first aid. El Sauzal has an onsite medical facility that is always staffed by at least one physician. El Sauzal also has an agreement with two offsite medical facilities to transport cyanide-intoxicated victims to either the Fatima hospital or the AGRA hospital. The hospitals have medical capacity and training for cyanide intoxication treatment. The onsite medical physicians will provide intravenous cyanide antidote for treatment of the patient if required. El Sauzal has conducted cyanide exposure mock drills, and tests the relevant emergency procedures at least once per year.

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

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

- in full compliance with**
- The operation is**  in substantial compliance with **Standard Practice 7.1**
- not in compliance with

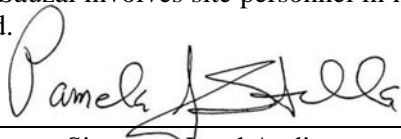
**Basis for Audit Finding:** El Sauzal has developed and implemented an Emergency Response Plan (ERP) and procedures to respond to cyanide related emergencies and emergency control management that address potential cyanide releases including containment plans and analysis of potential scenarios. The ERP addresses site-specific circumstances and responses for potential on-site release scenarios that may reasonably be expected. DuPont and their contracted transporters have a formal agreement with GoldCorp for the responsibility of cyanide transportation to the site. The emergency response plans will be evaluated and updated at least annually.

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

- in full compliance with**
- The operation is**  in substantial compliance with **Standard Practice 7.2**
- not in compliance with

**Basis for Audit Finding:** The ERP has been designed to be implemented entirely by trained, onsite personnel. El Sauzal has onsite fire fighting capabilities, a fully equipped emergency response vehicle, HazMat cleanup capabilities, and a medical clinic. El Sauzal's emergency response teams are trained to respond to all potential cyanide incidents at the site. El Sauzal's ERP has been developed with the involvement and input of its workforce. No outside stakeholders have been involved on the development of the ERP since they do not have designated responsibilities under the plan. El Sauzal's workforce has the ability to participate in the emergency response planning process through safety meetings and mock drills. El Sauzal involves site personnel in mock drills and revises the emergency response procedures as needed.

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

- The operation is**
- in full compliance with**
  - in substantial compliance with      **Standard Practice 7.3**
  - not in compliance with


**Basis for Audit Finding:** El Sauzal has committed, in the ERP and training SOPs, the necessary emergency response equipment and first aid to manage all cyanide incidents at the operation and to use the onsite medical facility. El Sauzal has certified First Responders trained in fire fighting and HazMat response, and medical physicians. El Sauzal’s ERP defines the primary and alternative response coordinators for the Incident Command Team (ICT). The ICT is commanded by an Incident Commander (IC- the General Manger or his designee). The ICT is composed of the IC and Superintendents/Supervisors from the process plant, the plant maintenance, mine maintenance, and safety and environment. The ERP has a list of potential team members and Commanders in the event that the General Manager is not available. The Incident Commander and ICT are responsible for the overall management of the emergency (human resources, equipment, material and supplies, communication, production and decisions) at the site. The ERP contains a list of onsite emergency responders, the ambulance service and the onsite clinic. El Sauzal does not use off-site responders for on-site emergencies. El Sauzal requires training and certification for First Responders, including administering first aid to personnel exposed to cyanide, administering amyl nitrite, locations of cyanide antidote kits, hazard awareness associated with sodium cyanide and HCN gas, and victim and rescuer decontamination procedures. The ERP includes radio channel, office and 24-hour cell phone telephone numbers for the Emergency Response Team and Commanders. All emergency equipment and supplies are inspected monthly by the Safety Department.

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

- The operation is**
- in full compliance with**
  - in substantial compliance with      **Standard Practice 7.4**
  - not in compliance with

**Basis for Audit Finding:** El Sauzal’s Emergency Response Plan details the procedures (including current contact telephone numbers) for internal and external emergency notification and reporting. The ERP includes communication procedures and contact information for community representatives in the nearby areas. The ERP also includes media communication procedures.

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

- in full compliance with**
- The operation is**  in substantial compliance with **Standard Practice 7.5**
- not in compliance with

**Basis for Audit Finding:** El Sauzal has prepared cyanide response and remediation plans that address appropriate uses and situations for cyanide treatment chemicals. El Sauzal has developed plans to sample soils, and sample and monitor surface water and groundwater in the event of a cyanide spill. All contaminated soils are to be excavated and disposed of in the mill process circuit. Liquid spills will be contained within secondary containment and returned to the process circuit by sumps located within the containment. Sodium hypochlorite is only to be used in cases where the solution is fully contained on site and will not enter waterways. El Sauzal has an on-site water treatment facility to bottle water for its mine site drinking water supply. The water source is upgradient from all process activities.

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

- in full compliance with**
- The operation is**  in substantial compliance with **Standard Practice 7.6**
- not in compliance with

**Basis for Audit Finding:** El Sauzal has committed to annual evaluation and update of the Emergency Response Plan, if needed based on review of the incidents and drills. Additionally, at least once per year El Sauzal will conduct a cyanide-related emergency response drill. El Sauzal has conducted a cyanide related mock drill, analyzed the drill and incorporated improvements into the ERP.

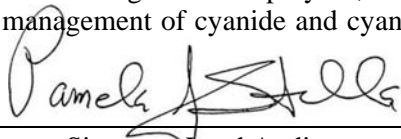
**8. TRAINING:** *Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner.*

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

- in full compliance with**
- The operation is**  in substantial compliance with **Standard Practice 8.1**
- not in compliance with

**Basis for Audit Finding:** El Sauzal provides training to all employees, with the potential to be exposed to cyanide, on the hazards and safe management of cyanide and cyanide-related emergency

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response. El Sauzal provides 6-month refresher on cyanide-related training and annual refresher on general safety training. El Sauzal retains all cyanide training records for employees. The cyanide related performance assessment tests are also retained in employee permanent records.

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

**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 8.2**  
 not in compliance with

**Basis for Audit Finding:** El Sauzal has prepared and implemented SOPs for cyanide management tasks that detail health and safety procedures for all aspects of cyanide unloading, handling, mixing and storage, heap leach operations, cyanide detoxification plant and ADR processing plant.

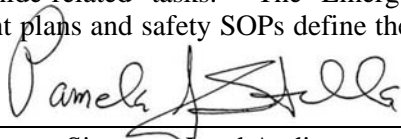
El Sauzal has an extensive training program that includes New Hire, Work Specific, and Specific Procedure training. New hire training is given to all employees and covers: first aid, hazardous materials, evacuation procedures, safety induction, safe management of sodium cyanide, PPE, safe operating procedures, cyanide-related emergency response, cyanide intoxication and cyanide kit management. The work specific training is given to employees and contractors that have the potential to be exposed to cyanide. The work specific training includes more detail on cyanide safety, first aid and antidote use, PPE requirements and specific work area cyanide management procedures. The procedure training is task specific training provided by employee supervisors covering cyanide handling and mixing, heap leach operations, cyanide detoxification plant and ADR processing plant. El Sauzal's training program identifies the specific cyanide management elements that each employee must be trained in to perform that specific job properly. New Hire, Work Specific, and Specific Procedure training is provided by appropriately qualified personnel. All El Sauzal employees working in specific cyanide management tasks receive 6-month refresher training that includes cyanide safety. All El Sauzal employees receive annual refresher on general safety issues. El Sauzal requires written tests to evaluate the effectiveness of cyanide training and those training records are retained throughout an individual's employment, documenting the training received. Training records include the name of the employee and the trainer, the date of training, training duration and the topics covered.

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

**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 8.3**  
 not in compliance with

**Basis for Audit Finding:** El Sauzal has provided training in response to cyanide releases for all production and maintenance personnel and developed a First Responder Team. El Sauzal has developed procedures and plans for cyanide-related tasks. The Emergency Response Plan, contingency plan, environmental management plans and safety SOPs define the response required by

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operators if a person is exposed to cyanide or if there is an environmental release. All El Sauzal employees, with the potential to be exposed to cyanide, receive 6-month refresher on cyanide-related training that includes cyanide safety, cyanide hazards recognition, cyanide kit, cyanide intoxication, cyanide-related first aid, and incident response. All training records by individual employee are retained.

Emergency Response Coordinators and members of the Emergency Response Team at El Sauzal receive 6-month refresher courses on cyanide antidote kit and cyanide management, and annual refresher courses on fire-fighting, HAZMAT, confined spaces, and medical recognition.

El Sauzal conducts one mock cyanide emergency response drill per year that includes both worker exposure and environmental release. The mock drills also include containment, neutralization, decontamination, and clean-up of contaminated areas. The mock drills are analyzed and improvements made to training procedures and the emergency response plan as required by the drill results.

El Sauzal has an agreement with two off-site medical providers, Fatima hospital and AGRA hospital to treat workers exposed to cyanide. In addition, El Sauzal has an agreement with two air taxi companies, Taxis Aereos de Sinaloa and Access Air, to transport a cyanide-intoxicated victim to a hospital via airplane or helicopter.

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

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

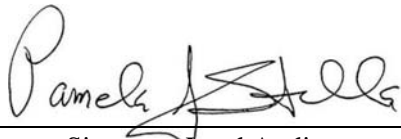
**in full compliance with**  
**The operation is**  in substantial compliance with **Standard Practice 9.1**  
 not in compliance with

**Basis for Audit Finding:** El Sauzal has a community development program with the objective to maintain communication and to promote community participation and promote regional development. The program focuses on the indigenous Tatahumaras and the communities around the mine area of influence. El Sauzal has established community relations with the “ejidos” and the government municipalities. The program consists of public meetings with presentations on the safe use of cyanide at El Sauzal and status of community support programs.

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

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

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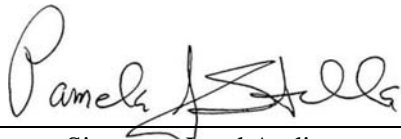
**Basis for Audit Finding:** El Sauzal provides the opportunity to communicate issues of concern with the public through contact with the local stakeholders during public presentations and community services provided by the mine at the mine site.

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

**The operation is**  **in full compliance with**  
 in substantial compliance with **Standard Practice 9.3**  
 not in compliance with

**Basis for Audit Finding:** El Sauzal provides written descriptions of the operation and verbal dissemination of information on the use of cyanide to the surrounding communities. El Sauzal's ERP states that if a cyanide spill exceeds reportable quantity and if the spill will go off site then El Sauzal will notify the property owners through the community leader. Communications regarding emergency response associated with casualties or environmental impacts is required by Mexican regulations. El Sauzal must submit a quarterly report detailing accidents, releases and emergencies to the Mexican government. GoldCorp provides operational and environmental information on its website ([www.GoldCorp.com](http://www.GoldCorp.com)).

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