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## NEWCREST MINING LTD'S CORRECTIVE ACTION PLAN IMPLEMENTATION LETTER FOR THE TELFER GOLD MINE

Dear Sir

### BACKGROUND

Newcrest Mining Ltd's (Newcrest) Telfer Gold Mine (Telfer) was found to be substantially-compliant with the *International Cyanide Management Code for the Manufacture, Transport, and use of Cyanide in the Production of Gold* (the Code) on 28 September 2016. Accordingly the operation developed a Corrective Action Plan (CAP) to address the identified deficiencies (Report No. 1537217-009-R-Rev1, Golder Associates Pty Ltd, April 2016).

This letter confirms the successful implementation of the CAP resulting in the operation being fully compliant with the Code.

### VERIFICATION OF CORRECTIVE ACTION PLAN IMPLEMENTATION

A review of the evidence presented by Telfer supporting the full implementation of the CAP was conducted by Golder Associates Pty Ltd (Golder) intermittently over a six-month period and a site visit was conducted on 1-2 August 2017. The results are summarised in Table 1 below.

**Table 1: Corrective Action Plan Implementation Table**

<b>Standard of Practice 3.1, Question 7</b>	
<b>Deficiency</b>	The secondary containments for the Dump Leach 5 cyanide storage and mixing tanks are constructed of materials that partly provide a competent barrier to leakage. Several cracks and degraded areas were identified that had the potential to compromise the integrity of the facility.
<b>Corrective Action and evidence required</b>	<ul style="list-style-type: none"> <li>■ Conduct all concrete repairs identified for Dump Leach 5 within the Memorandum from Senior Reliability Engineer to Cyanide Code Working Group regarding DL 5 Containment (6 December 2015) area repairs.</li> <li>■ Provide evidence (reports, photograph and/or site verification) demonstrating that all concrete repairs have been completed.</li> </ul>
<b>Assessment</b>	A review of completion reports and an inspection of the repairs by the Auditor confirmed that the corrective action had been completed.



<b>Standard of Practice 4.1, Question 6</b>	
<b>Deficiency</b>	Documented area inspections are completed. However, in some circumstances, the observed condition was inconsistent with the recorded condition indicating that staff conducting the inspections were unaware of what the accepted condition should be for some of the items inspected.
<b>Corrective Action and evidence required</b>	<ul style="list-style-type: none"> <li>■ Provide evidence to show that Inspectors have been made aware of the accepted condition for the items being inspected to allow comparisons to be made and deficiencies identified. This could be through a training package or additional clarification on the checklist directing the Inspector to note or check certain things.</li> <li>■ Provide training records (e.g. tool box meeting minutes or similar) or checklist noting additional clarifications.</li> <li>■ Provide two months of completed inspection forms.</li> <li>■ Compliance to be verified on site.</li> </ul>
<b>Assessment</b>	A review of completed area inspections over a two-month period, toolbox training records, and an inspection of the site by the Auditor confirmed that this corrective action has been completed.
<b>Standard of Practice 4.3, Question 1</b>	
<b>Deficiency</b>	A probabilistic water balance (PWB) to prevent unintentional releases to the environment has not been consistently used during the recertification period.
<b>Corrective Action and evidence required</b>	<ul style="list-style-type: none"> <li>■ Develop and implement a procedure for the management of the Water Storage Model.</li> <li>■ Re-establish awareness and knowledge of the ICMC commitments across the management team, with a focus on front line supervisors. The operational decisions and actions of frontline supervisors have a significant bearing on ICMC compliance.</li> <li>■ Provide the Water Storage Model Procedure.</li> <li>■ Provide evidence of a system or process that has been developed and implemented to enable Telfer to maintain the knowledge level of ICMC across the management team. To be verified on site.</li> <li>■ Compliance to be verified on site.</li> </ul>
<b>Assessment</b>	A review of procedure for the water balance was conducted. Site interviews of staff and management confirmed that the site has raised awareness and knowledge of the ICMC commitments across the management team and front line supervisors. This corrective action has been completed.
<b>Standard of Practice 4.4, Question 4</b>	
<b>Deficiency</b>	The operation does not consistently apply leach solutions in a manner designed to avoid significant ponding on the heap surface and limit overspray of solution off the heap liner.
<b>Corrective Action and evidence required</b>	<p>Develop a procedure to clarify acceptable irrigation practices to prevent ponding and contingency measures. The procedure should clarify acceptable and unacceptable ponding conditions.</p> <p>Train operators in the revised procedure.</p> <p>Provide the procedure.</p> <p>Provide training records (e.g. tool box meeting minutes or similar).</p> <p>Compliance to be verified on site.</p>
<b>Assessment</b>	A review of procedure for the dump leach was conducted along with the toolbox training records. The Dump Leach was inspected by the Auditor. This corrective action has been completed.

<b>Standard of Practice 4.7, Question 1</b>	
<b>Deficiency</b>	Historical under tank leak detection monitoring practices were Code deficient.
<b>Corrective Action and evidence required</b>	<p>For existing under tank leak detection systems:</p> <ul style="list-style-type: none"> <li>■ Develop a procedure to manage the leak detection programme.</li> <li>■ Implement the procedure to manage the leak detection programme (reinstate the lysimeter monitoring program).</li> </ul> <p>For absent under tank leak detection systems:</p> <ul style="list-style-type: none"> <li>■ Install under tank leak detection systems.</li> <li>■ Develop a procedure to manage the RBI or installed leak detection system.</li> </ul> <p>For the tailing thickener leak detection system:</p> <ul style="list-style-type: none"> <li>■ Complete the leak detection system as designed and</li> <li>■ Develop a procedure to manage the installed leak detection system.</li> <li>■ Provide the procedure.</li> <li>■ Provide the design philosophy of new leak detection systems to show how leaks will be detected.</li> <li>■ Provide the construction completion report.</li> <li>■ Provide leak detection results for a 10 month period.</li> </ul>
<b>Assessment</b>	<ul style="list-style-type: none"> <li>■ A review of procedures for leak detection, design philosophy, monitoring schedules and results confirmed that this corrective action has been completed.</li> <li>■ Results for a 10 month period were not provided nor considered necessary as a monitoring system had been established and no leaks had been detected.</li> </ul>
<b>Standard of Practice 4.7, Question 2</b>	
<b>Deficiency</b>	Several concrete secondary containments were cracked which had the potential to compromise the integrity of the facility
<b>Corrective Action and evidence required</b>	<ul style="list-style-type: none"> <li>■ Undertake an engineering review of the secondary containments and identify cracks that compromise the integrity of the facilities.</li> <li>■ Repair identified cracks that compromise the integrity of the facilities.</li> <li>■ Provide an engineering report</li> <li>■ Provide a construction completion report.</li> </ul>
<b>Assessment</b>	A review of completion reports and an inspection of the repairs by the Auditor confirmed that the corrective action had been completed.
<b>Standard of Practice 4.7, Question 2</b>	
<b>Deficiency</b>	Roadways between bunds were observed to be elevated through the deposition of material resulting in stormwater flows being directed into containment areas from roadways. This had the potential to compromise the containment capacity.
<b>Corrective Action and evidence required</b>	<ul style="list-style-type: none"> <li>■ Identify elevated roadway areas that direct stormwater flows into secondary containment facilities.</li> <li>■ Reinstate design stormwater flow directions.</li> <li>■ Provide a stormwater flow assessment</li> <li>■ Provide Photographs or verification through site inspection.</li> </ul>
<b>Assessment</b>	A review of a site stormwater flow assessment and an inspection of the stormwater flow works by the Auditor confirmed that the corrective action had been completed.
<b>Standard of Practice 4.7, Question 2</b>	
<b>Deficiency</b>	Slurry within the Stage 6 Cleaner and Copper Rougher containment appeared to have been present for some time. The slurry had not been cleaned up in the timeframe specified within the operations procedures and had the potential to compromise the containment capacity.
<b>Corrective Action and evidence required</b>	<ul style="list-style-type: none"> <li>■ Review procedural requirements for clean-up of slurry within containments.</li> <li>■ Train operators in the revised procedure.</li> <li>■ Provide the procedure.</li> <li>■ Provide training records (e.g. tool box meeting minutes or similar).</li> <li>■ Compliance with procedure to be verified on site.</li> </ul>
<b>Assessment</b>	A review of procedure for was conducted along with the toolbox training records. The area was inspected by the Auditor. This corrective action has been completed.

<b>Standard of Practice 4.7, Question 3</b>	
<b>Deficiency</b>	Slurry collected within the main drive in sump is periodically dug out and placed adjacent to the sump on the ground to dry before being reprocessed. The material, which contains residual cyanide, is not placed within a containment area to prevent seepage to the ground.
<b>Corrective Action and evidence required</b>	<ul style="list-style-type: none"> <li>■ Review procedural requirements for cleaning the main drive in sump and train operators in the revised procedure.</li> <li>■ Line the area where slurry is to be temporarily stored to prevent the release of cyanide solution to the environment.</li> <li>■ Provide the procedure.</li> <li>■ Provide training records (e.g. tool box meeting minutes or similar).</li> <li>■ Construction completion report</li> <li>■ Compliance with procedure to be verified on site.</li> </ul>
<b>Assessment</b>	<ul style="list-style-type: none"> <li>■ A clay lined drying pad was constructed alongside the main drive in sump. Completion records and permeability specifications of the clay material were provided. The facility was inspected by the Auditor.</li> <li>■ The design did not necessitate the requirement for a procedure. This corrective action has been completed.</li> </ul>
<b>Standard of Practice 4.7, Question 4</b>	
<b>Deficiency</b>	The Last Chance Pond located down gradient of the process plant contains low strength cyanide solution and it is used for operational purposes and not emergency events.
<b>Corrective Action and evidence required</b>	<ul style="list-style-type: none"> <li>■ Line the Last Chance Pond.</li> <li>■ Provide the construction completion report.</li> </ul>
<b>Assessment</b>	A review of completion report and an inspection of the facility by the Auditor confirmed that the corrective action had been completed.
<b>Standard of Practice 4.7, Question 5</b>	
<b>Deficiency</b>	The operation has not installed spill prevention or containment on the buried process water line between the process plant and the process water pond.
<b>Corrective Action and evidence required</b>	<ul style="list-style-type: none"> <li>■ Complete the leak detection system as designed in the report titled 1537217-005-L-Rev1 Leak Detection Field Investigation, Golder Associates 21 January 2016.</li> <li>■ Develop a procedure to manage the installed leak detection system.</li> <li>■ Provide a construction completion report.</li> <li>■ Provide the procedure.</li> <li>■ Provide leak detection results for a 10-month period.</li> </ul>
<b>Assessment</b>	<ul style="list-style-type: none"> <li>■ A review of construction documentation, procedures for leak detection, monitoring schedules and results confirmed that this corrective action has been completed.</li> <li>■ Results for a 10-month period were not provided nor considered necessary as a monitoring system had been established and no leaks had been detected.</li> </ul>
<b>Standard of Practice 4.7, Question 5</b>	
<b>Deficiency</b>	The cyanide reagent line between Stage 6 and 7 is constructed of HDPE on an elevated pipe rack with no secondary containment. The pipe runs across work areas and access ways. The operation has confirmed that secondary containment is required to conform to site standards.
<b>Corrective Action and evidence required</b>	<ul style="list-style-type: none"> <li>■ Secondly contain the cyanide reagent line between Stage 6 and 7.</li> <li>■ Construction completion report.</li> </ul>
<b>Assessment</b>	A review of completion reports and an inspection of the works by the Auditor confirmed that the corrective action had been completed.

## STATEMENT OF COMPLIANCE

Based on the evidence observed, I am satisfied that Telfer has fully implemented the Corrective Action Plan submitted to the ICMI and consequently the operation is fully compliant with the Code.

Should you require any additional information, please do not hesitate to contact me.

Yours sincerely

**GOLDER ASSOCIATES PTY LTD**



Ed Clerk  
Principal EHS Consultant

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