INTERNATIONAL CYANIDE MANAGEMENT CODE
GOLD MINING OPERATION RECERTIFICATION AUDIT
LONE TREE MINE, NEVADA

SUMMARY AUDIT REPORT

Submitted to:
Newmont Mining Corporation
Lone Tree Mine
PO Box 388
Valmy, Nevada 89438

and

International Cyanide Management Institute (ICMI)
1400 I Street, NW, Suite 550
Washington, DC 20005, USA

Submitted by:
ERM-West, Inc.
102 West 500 South, Suite 650
Salt Lake City, Utah 84101

July 29, 2013

Lone Tree Mine
Name of Facility

Signature of Lead Auditor (Glenn Kenys)

Environmental Resources Management

April 29-30, 2013
Audit Dates
# TABLE OF CONTENTS

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. ................................................................. 4

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. 4

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. ................................................................. 5
   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. .................................................. 6

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. ................................................................. 7
   Standard of Practice 4.2: Introduce management and operating systems to minimize cyanide use, thereby limiting concentrations of cyanide in mill tailings. .................................................. 8
   Standard of Practice 4.3: Implement a comprehensive water management program to protect against unintentional releases ........................................................................................................... 8
   Standard of Practice 4.4: Implement measures to protect birds, other wildlife and livestock from adverse effects of cyanide process solutions. .......................................................... 9
   Standard of Practice 4.5: Implement measures to protect fish and wildlife from direct and indirect discharges of cyanide process solutions to surface water. .......................................................... 9

---

Lone Tree Mine  
Name of Facility  

[Signature]  
Signature of Lead Auditor (Glenn Kenys)  

April 29-30, 2013  
Audit Dates  

Environmental Resources Management  
Page 1  

FRM
Standard of Practice 4.6: Implement measures designed to manage seepage from cyanide facilities to protect the beneficial uses of groundwater................................................................. 10

Standard of Practice 4.7: Provide spill prevention or containment measures for process tanks and pipelines........................................................................................................................................ 10

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. .... 11

Standard of Practice 4.9: Implement monitoring programs to evaluate the effects of cyanide use on wildlife, surface and ground water quality................................................................................................................. 11

5. DECOMMISSIONING: PROTECT COMMUNITIES AND THE ENVIRONMENT FROM CYANIDE THROUGH DEVELOPMENT AND IMPLEMENTATION OF DECOMMISSIONING PLANS FOR CYANIDE FACILITIES 12

Standard of Practice 5.1: Plan and implement procedures for effective decommissioning of cyanide facilities to protect human health, wildlife and livestock ............................................................................................................ 12

Standard of Practice 5.2: Establish an assurance mechanism capable of fully funding cyanide related decommissioning activities.................................................................................................................. 12

6. WORKER SAFETY: PROTECT WORKERS’ HEALTH AND SAFETY FROM EXPOSURE TO CYANIDE 13

Standard of Practice 6.1: Identify potential cyanide exposure scenarios and take measures as necessary to eliminate, reduce and control them ........................................................................................................... 13

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 ...................................................................................................................... 13

Standard of Practice 6.3: Develop and implement emergency response plans and procedures to respond to worker exposure to cyanide......................................................................................................................... 14

7. EMERGENCY RESPONSE: PROTECT COMMUNITIES AND THE ENVIRONMENT THROUGH THE DEVELOPMENT OF EMERGENCY RESPONSE STRATEGIES AND CAPABILITIES 15

Standard of Practice 7.1: Prepare detailed emergency response plans for potential cyanide releases.. 15

Standard of Practice 7.2: Involve site personnel and stakeholders in the planning process................. 15

Standard of Practice 7.3: Designate appropriate personnel and commit necessary equipment and resources for emergency response. .................................................................................................................. 16

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

Lone Tree Mine
Name of Facility

Signature of Lead Auditor (Glenn Kenys)

Audit Dates

Environmental Resources Management Page ii
reporting

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

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

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.

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.

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

9. DIALOGUE: ENGAGE IN PUBLIC CONSULTATION AND DISCLOSURE

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

Standard of Practice 9.2: Initiate dialogue describing cyanide management procedures and respond to identified concerns.

Standard of Practice 9.3: Make appropriate operational and environmental information regarding cyanide available to stakeholders.
Name of Project: Lone Tree Mine

Project Owner / Operator: Lone Tree Mine is operated by Newmont Mining Corporation

Name of Responsible Manager: Lauren Hafla, Process Manager

Address and Contact Information: Lone Tree Mine
PO Box 388
Valmy, Nevada 89438
Phone: 775-635-6626
Fax: 775-635-6627
Email: lauren.hafla@Newmont.com

Audit Dates: April 29-30, 2013

Location and Description of Operation

Newmont Mining Corporation (Newmont) operates the Lone Tree Mine (Lone Tree), a heap leaching facility in Humboldt County, Nevada, near the small community of Valmy. Lone Tree is approximately 6 miles west of Valmy and 34 miles east of Winnemucca located adjacent to and south of Interstate 80.

Currently, Lone Tree consists of overburden piles, an inactive open pit, heap leach facilities, CIC building, administration building, maintenance facilities, and access and haul roads. Mining and dewatering of the pit ended at Lone Tree in December 2006. Newmont does not seek recertification of the Lone Tree Mill and Tailings Facility because the weak acid dissociable (WAD) cyanide concentrations of the tailings impoundment drain-down are less than 0.5 mg/L and are therefore not considered a process solution according to the International Cyanide Management Code (ICMC or the Code) definition of process solution. Additionally, Newmont’s current business plan does not include or propose operation of the mill or tailings impoundment. The initial cyanide code certification in 2006 included a tailings impoundment and a CIL circuit (autoclave and flotation circuit process). The field portion of the initial Lone Tree audit was conducted in October 2006. The International Cyanide Management Institute (ICMI) certified the site on February 1, 2007. Since the initial certification audit the following main activities have occurred at Lone Tree:

- **2007**: Lone Tree was certified by the ICMI; Mill processing ended at the Lone Tree Mill; Mill was placed in temporary closure under care and maintenance mode; Downhole Injection research started on pads 1-4. However, the Downhole Injection leaching process was discontinued in 2010.

- **2008**: Tailings supernatant pool was totally evaporated and tailings impoundment was seeded; Reclamation of waste dumps, rapid infiltration basins and cooling ponds was completed; Heap leaching continued.

- **2009**: Flotation circuit batch processed 180,000 tons of flotation ore (no cyanide was used) to make a concentrate for off-site processing; The Nevada Division of Environmental Protection (NDEP) approved the Downhole Injection system; Leaching for Phases 1-4 was only by Downhole Injection and was subsurface; Heap leaching continued but no cyanide solution was added to Phase 5-6 pads; Cyanide addition to Phases 5-6 stopped in January 2009, applied for six weeks during August/September 2009 and then stopped again in October 2009.
Since the 2010 recertification audit the following changes have been made in the Lone Tree Operations:

- **2010**: Discontinued use of the Downhole Injection operations and leaching on Phases 1-4 pads (as mentioned above);

- **2011**: Construction of the Phase 7 Heap Leach Pad; leached ore from Phases 1-4 is being moved and reloaded onto the Phase 7 pad (and there is leaching with cyanide on the Phase 5-6 pads); and

- **2011**: Construction of the E-Train Carbon Columns.

Lone Tree continues to operate the heap leach facility consisting of three separate synthetically lined pads, three solution ponds and a shared processing and recovery circuit. One pad consists of Phases 1-4, the second pad was constructed as Phases 5-6, and the third pad is the Phase 7 pad that is sandwiched between the Phases 1-4 and Phases 5-6 pads. Pregnant solution from the leach pads is processed in carbon-in-column (CIC) adsorption circuits. Loaded carbon from the CIC circuit is loaded into appropriately placarded trucks and transported to other Newmont facilities for processing and the reactivated carbon is returned to Lone Tree for reuse. There is only one active cyanide offload area and cyanide storage tank at Lone Tree.

Lone Tree is associated with an adjacent property called Trenton Canyon, located to the south east. Trenton Canyon was an open pit and heap leach operation with CIC processing. The mine is currently not active and no further processing is currently scheduled for this facility. At the time of the 2010 recertification audit, the Trenton Canyon operation was not adding cyanide to the heap leach circuit. Newmont does not have Trenton Canyon listed as one of its mines to be code certified. Therefore, Trenton Canyon was not included in this audit or the initial certification audit. This remained the same for the 2013 recertification audit.

Lone Tree receives liquid sodium cyanide from Cyanco located in Winnemucca, Nevada in specially engineered tanker trucks. The sodium cyanide is delivered by TransWood, Inc. (Transwood). Both Cyanco and TransWood are signatory to the Code and have been certified as compliant with the Code by third-party auditors. At the time of the 2013 Recertification Audit both Cyanco and TransWood were in the process of recertification. They have been audited and the audit reports are currently being reviewed by the ICMC. Lone Tree stores and manages sodium cyanide in engineered tanks, pipelines and lined ponds that have had appropriate quality control and quality assurance. Lone Tree employees are trained in cyanide hazards and first aid, first response, emergency response, and specific operational task training. Lone Tree facilities are fenced to preclude wildlife and livestock from entering cyanide process areas. Lone Tree conducts daily and weekly inspections to assure that facilities are functioning as designed and to monitor process solutions. Preventive maintenance programs are in place to assure continuous safe operations. Lone Tree has approved closure and reclamation plans along with financial assurance to support the appropriate management of cyanide solutions and solids.

Lone Tree has identified potential cyanide exposure scenarios and developed plans and Standard Operating Procedures (SOPs) to eliminate, reduce and control exposure to cyanide. Operating plans and individual task specific SOPs provide details for safe storage, handling and distribution of sodium cyanide liquid; safe operation of cyanide equipment; Personal Protective Equipment (PPE) requirements; and inspection requirements. Environmental and wildlife monitoring associated with the cyanide facilities is conducted and reported to regulatory agencies.

**Audit Dates**: April 29-30, 2013
SUMMARY AUDIT REPORT
Lone Tree Mine ICMC Audit

Auditors:  
Glenn Keays, M.Sc., EP(CEA), Lead Auditor  
Brent Bailey, PE, CEA, Gold Mining Technical Expert

☒ in full compliance with
☐ in substantial compliance with All Code Principles
☐ not in compliance with

The Lone Tree operation was found to be in Full Compliance with the ICMC; and this operation has not experienced compliance problems during the previous three-year audit cycle.

Audit Company:  ERM-West, Inc.
Audit Team Leader:  Glenn Keays
E-mail:  glenn.keays@erm.com

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the ICMI and that all members of the audit team meet the applicable criteria established by the ICMI 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 ICMC Verification Protocol for Gold Mine Operations and using standard and accepted practices for health, safety and environmental audits.

Glenn Keays
Name of Auditor  Signature of Lead Auditor  July 29, 2013  Date

Name and Signature of Other Auditors:

Brent C. Bailey
Name of Auditor  Signature Auditor  July 29, 2013  Date

Lone Tree Mine
Name of Facility  Signature of Lead Auditor (Glenn Keays)  April 29-30, 2013  Audit Dates

Environmental Resources Management  Page 3
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

☐ in substantial compliance with Standard of Practice 1.1

☐ not in compliance with

Basis for Audit Finding: Lone Tree has committed to only purchase cyanide from a producer that is compliant with the ICMC. Lone Tree has sodium cyanide supply contracts with Cyanco. Cyanco is signatory to the ICMC and has provided third-party independent Audit Summary Reports confirming full compliance with the ICMC’s Cyanide Production Principles and Standards of Practice. Cyanco was re-certified in full compliance with the Code on February 2, 2010, and is currently undergoing recertification.

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

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

☑ in full compliance with

☐ in substantial compliance with Standard of Practice 2.1

☐ not in compliance with

Basis for Audit Finding: Lone Tree has a sodium cyanide supply contract with Cyanco, which specifies that Lone Tree takes ownership of the product at the time of delivery into the cyanide storage tank. The contract between Lone Tree and Cyanco specifically identifies the ICMC certification requirements as a provision. Cyanco is a signatory producer to the Code and has Transwood Inc. (Transwood) as the only transporter of cyanide from its production facility to Lone Tree. There are no interim storages from the Cyanco plant to the mine.

TransWood is signatory to the ICMC and has been re-certified by a third party independent auditor as fully compliant with the ICMC (TransWood, Inc. Winnemucca Terminal Sodium Cyanide Solution Transportation Operations, ICMI Cyanide Code Re-Certification Audit August 12-13, 2009 by Management System Solutions, Inc.) with clear lines of responsibility for safety, security, release prevention, training and emergency response. The recertification date was January 10, 2010, and Transwood is currently undergoing recertification. Cyanco and TransWood do not use subcontractors.
**Standard of Practice 2.2**: Require that cyanide transporters implement appropriate emergency response plans and capabilities and employ adequate measures to manage cyanide.

- [x] in full compliance with
- [ ] in substantial compliance with **Standard of Practice 2.2**
- [ ] not in compliance with

**Basis for Audit Finding**: Newmont’s supply contract is in accordance with Cyanco and requires Cyanco and its transportation personnel, distributors, and contract transporters to comply with all applicable ICMI Code Principles, Standards of Practice, performance goals, audit recommendation, and certification requirements applicable to the transportation to Lone Tree, including the specific compliance matters set out in the ICMI Cyanide Transportation Verification Protocol. Cyanco is a signatory company to the Code and certified as compliant with the Code. The primary transporter Transwood is signatory to the Code and has been certified by a third party independent auditor as compliant with the ICMI with appropriate emergency response plans and capabilities and has adequate cyanide management control. Lone Tree has records documenting the ordering of cyanide and the bills of lading.

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.

- [x] in full compliance with
- [ ] in substantial compliance with **Standard of Practice 3.1**
- [ ] not in compliance with

**Basis for Audit Finding**: Cyanide facilities (offload and storage) at Lone Tree have been designed and constructed in accordance with Cyanco guidelines, applicable Nevada regulations, and sound and accepted engineering practices. The design and construction of the cyanide offload and storage facilities have been completed appropriately as documented in construction as-built reports prepared and stamped by Nevada Professional Engineers. The cyanide offload and storage facility quality control and assurance procedures and documentation include an as-built report noting foundation compaction and concrete reinforcement and verification of piping and tank materials. The active cyanide storage tank is a 13,000 gallon tank located outside the CIC plant. Two inactive cyanide storage tanks are located inside the Reagent building. These two tanks are in care and maintenance mode. The cyanide storage tank and offload area are located outside and provide appropriate ventilation. The cyanide storage tank is within concrete containment to contain releases and precipitation. The cyanide offload pad is constructed of cast-in-place reinforced concrete with curbed containment to prevent seepage to the subsurface. As also covered under Standard of Practice 4.7, the containment area is constructed for spill prevention and sized to contain volumes greater than the tank. No construction or modifications to the offload and CIC plant have occurred since the initial certification.

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**Lone Tree Mine**

Name of Facility

Signature of Lead Auditor (Glenn Kenys)

Audit Dates

Environmental Resources Management

Page 5
The offloading and storage areas are located away from public access. There are no surface water bodies or groundwater supply wells nearby. Lone Tree has specific emergency procedures for notifying and evacuating potentially exposed individuals and response and remediation.

The liquid cyanide storage tank has a high-level alarm and level indicator. Secondary containment for the cyanide storage tank is constructed of materials that provide a competent barrier to leakage. Lone Tree has a method to prevent the overfilling of the cyanide storage tank. The cyanide storage tank has a ultrasonic level indicator and alarm. Lone Tree has fixed HCN monitors at the top of the barren tank and at the carbon column circuit in the CIC building. The cyanide storage containment area is designed to contain 1.0% volume of the tank. As-built documentation indicates that the cyanide storage tank received quality assurance tests including non-destructive testing. The design package includes foundation, concrete, and steel specifications.

Lone Tree has an inspection and preventative maintenance program for identification and patching of cracks. Cracks and other voids in the concrete are patched with epoxy. Review of the containments indicated that they are maintained.

Lone Tree’s process areas are within the fenced complex of the Lone Tree operations. There are no unsecured valves that would allow direct access to the liquid cyanide. The delivery of liquid cyanide is performed in specially engineered tanker trucks.

Cyanide is stored separately from incompatible materials such as acids, strong oxidizers and explosives and apart from foods, animal feeds and tobacco products with appropriate barriers that will prevent mixing.

 Snapdragon 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

☐ in substantial compliance with Standard of Practice 3.2

☐ not in compliance with

Basis for Audit Finding: Lone Tree has developed and implemented a Cyanide Off-Loading standard operating procedure that covers the responsibilities for the transporter and the site personnel. Lone Tree uses only liquid cyanide delivered in bulk and there are no empty cyanide containers that require disposal. Lone Tree has developed and implemented procedures to prevent exposures and releases during cyanide offloading and covers the responsibilities for the transporter and the site personnel. Lone Tree requires appropriate PPE and observation by an operator during the off-load connection and disconnection.

Any liquid spills or leaks within the concrete containment for the cyanide storage tank are automatically pumped from the sump back into the process circuit. Spills on the offload pad would gravity drain to a sump and then be pumped out with a portable pump and returned to the process circuit. Visual inspection of the Lone Tree containments indicated good housekeeping practices.

Lone Tree Mine

Name of Facility

Signature of Lead Auditor (Glenn Keny)

April 29-30, 2013

Audit Date
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.

- [x] in full compliance with
- [ ] in substantial compliance with **Standard of Practice 4.1**
- [ ] not in compliance with

**Basis for Audit Finding:** Lone Tree has written management and operating plans and procedures that were developed and implemented for the cyanide facilities including the offloading, cyanide storage area, CIC plant and the heap leach facilities. The plans identify the assumptions and parameters on which the facility design was based and the applicable regulatory requirements as necessary to prevent or control cyanide releases and exposures. The Lone Tree Operating Plan (Newmont, April, 2013) for the heap leach includes descriptions of the fluid management requirements for safe operation and within regulatory compliance. The plans are the basis for operator task-specific SOPs that address protection of human health and the environment for the operation of cyanide heap leach processing. The SOPs were found to have adequate contingency planning, routine inspections, and a preventive maintenance program. SOPs address all the cyanide management tasks such as offloading, handling and storage of cyanide, and operation of the carbon-in-column systems. Contingency planning documents have been developed and implemented to support the process pond management and solution inventory to address power failure. Lone Tree uses inspection forms for identifying necessary repairs. Completion of the repairs and documentation of preventive maintenance activities are tracked in an electronic program.

Lone Tree's permit to operate includes the assumptions and parameters on which the facility design was based and all applicable Nevada State regulatory requirements. The latest Water Pollution Control permit modification was June 2011. Permit requirements include process solution containment of the 100-year, 24-hour storm, plus a 24-hour draindown with a minimum 2 feet freeboard. The permit also includes plans for contingencies for cyanide management in situations where there is an upset in a facility's water balance, when inspections or monitoring identifies a problem, and when a temporary closure or cessation of operations may be necessary.

Lone Tree has developed a Cyanide Management Plan that defines the policies, procedures and responsibilities for compliance with the Code. In addition the Cyanide Management Plan specifies the standard operating procedures, operating plans and regulatory requirements.

Lone Tree inspects cyanide facilities on an established frequency sufficient to assure and document that they are functioning within design parameters. Daily and weekly inspections are completed by the operators. Daily inspections for the leach and CIC system include safety and environmental concerns, pond and pad leak detection systems, reagent offload and storage area, leach areas, pH and cyanide, totalizers and flows, pond levels, and the carbon area. The inspections are documented, including the date of the inspection, the name of the inspector, any observed deficiencies, and the nature and date of corrective actions. The cyanide offload area is inspected prior to an offload. Lone Tree retains the inspection records.

Lone Tree Mine
Name of Facility

Signature of Lead Auditor (Glenn Kenys)

April 29-30, 2013
Audit Dates

Environmental Resources Management
Lone Tree has a Change Management Policy that requires any proposed process and operational changes from those on which the initial design and operating practices were predicated to be evaluated with the area supervisors prior to implementation.

Lone Tree has contingency procedures for cyanide management in situations where there is an upset in the water balance, when inspections or monitoring identifies a problem, and when a temporary closure or cessation of operations may be necessary. Lone Tree has prepared a Cyanide Management Plan (updated March 2013) that covers the operation’s water management strategies. Additionally, Lone Tree has an operating plan describing the full operation of the process facility and stand-alone task specific operating procedures. The operating procedures are covered under a document control program and the most up to date versions are available on the mine’s intranet system. Standard Operating procedures have been prepared for all cyanide related management tasks: Cyanide Off-Loading; Cyanide Equipment Decontamination; and Cyanide Titration.

Lone Tree has a backup generator to ensure that essential process equipment and systems operate in the event of a power outage. Lone Tree conducts inspections that include regular testing of the backup power generator.

*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
- ☐ in substantial compliance with *Standard of Practice 4.2*
- ☐ not in compliance with

*Basis for Audit Finding:* Mill processing ended in 2007 at Lone Tree, and the Mill was placed in temporary closure under care and maintenance mode. In 2008 the tailings supernatant pool was totally evaporated and the tailings impoundment was seeded. Newmont does not seek recertification of the Lone Tree Mill and Tailings Facility because the WAD cyanide concentrations of the tailings impoundment drain-down are less than 0.5 mg/L and are therefore not considered a process solution according to the Code definition of process solution.

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

- ☑ in full compliance with
- ☐ in substantial compliance with *Standard of Practice 4.3*
- ☐ not in compliance with
Basis for Audit Finding: Lone Tree has developed a comprehensive probabilistic water balance that is tracked and updated with actual process values on a quarterly basis. No new ore has been added to the heap pads since mining ceased in 2006. Therefore a quarterly update is appropriate for a fully operational facility located within a high evaporation and low precipitation environment and an operational history as described for Lone Tree. Lone Tree has implemented a comprehensive water balance model that tracks water flow throughout the site-wide engineered water management facilities, including the heap leach pads and process ponds. Process facility inspection procedures and data collection programs have been implemented to update the water balance model. Lone Tree measures and records on-site precipitation data for incorporation into the model and operational planning. Daily shift inspections include available freeboard level monitoring that is incorporated into the water balance model and operational planning to prevent potential overtopping. The process ponds and other cyanide containments at Lone Tree are designed and operated with adequate freeboard above maximum storage levels and routine operating levels.

Lone Tree's water balance considers solution application rates for the heap leach facilities. Leaching is now focused on the Phases 5 and 6 and the new Phase 7 Leach Pads. Phases 1-4 are no longer being leached. (Note: Use of the Downhole Injection system on Phases 1-4 has been discontinued.) It also considers the effects of potential freezing and thawing build up and release, the calculation and evaluation of the drain down from the heap leach circuit, solution losses through uptake and evaporation, and the potential effects of equipment failure and power outages with the capacity of the pond system being available for gravity flow. Lone Tree has designed the facilities so that no upgradient run-on reports to the heap leach facilities.

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

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

Basis for Audit Finding: Lone Tree has been successful in preventing wildlife mortalities related to cyanide in the open water ponds by maintaining WAD cyanide concentrations well below 50 mg/L in open water. Leaching is now focusing on the Phases 5 and 6 and the new Phase 7 Leach Pads. Phases 1-4 are no longer being leached. Lone Tree has implemented several different measures to restrict access by wildlife and livestock to open solutions containing cyanide. These measures include: a perimeter fence to prevent livestock access, chain link fences around all process ponds, and bird balls. Wildlife mortality inspections are conducted as part of the daily shift inspection. Lone Tree completes Wildlife quarterly reports to Nevada Department of Wildlife (NDOW) Habitat Bureau.

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

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

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Lone Tree Mine
Name of Facility

Signature of Lead Auditor (Glenn Keays)  April 29-30, 2012
Audit Dates

Environmental Resources Management  Page 9
ERM
Basis for Audit Finding: Lone Tree is designed and operated for zero-discharge of process fluids. Operation performance history, design criteria and the project water balance indicate that the facility operation is consistent with the zero-discharge requirements. Monitoring information indicates no impact to groundwater or surface water quality has occurred from the heap leach operations. 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

☐ in substantial compliance with Standard of Practice 4.6

☐ not in compliance with

Basis for Audit Finding: The regional groundwater beneficial use has been classified as drinking water source. Accordingly, the project construction and operation include a number of seepage control technologies. The Lone Tree heap leach facilities and process ponds have all been constructed with liners to prevent seepage. The heap leach facilities are constructed on HDPE liners and soil liners. All process ponds are HDPE lined with leak detection and collection systems. The heap leach facilities are lined with geomembrane liners over compacted subgrade or compacted soil liner material. Each heap leach facility has engineered leak detection systems. The process areas have concrete containments. The groundwater quality monitoring data indicate that the beneficial groundwater uses have been protected. Nevada Department of Environmental Protection total cyanide concentration limitation for groundwater is 0.2 mg/L. The groundwater data indicate that the operation has no detectable WAD cyanide (i.e., <0.01 mg/L) in the groundwater at compliance points or down gradient of the operation. Lone Tree does not have milling operations or underground mining and therefore does not use mill tailings as underground backfill.

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

☑ in full compliance with

☐ in substantial compliance with Standard of Practice 4.7

☐ not in compliance with

Basis for Audit Finding: Lone Tree has spill prevention and containment measures for the cyanide offload areas, the associated storage tanks, and CIC process area. Lone Tree has automated pumps within the containments inside the CIC building to pump collected solutions into the process circuit. The containments are constructed of cast-in-place reinforced concrete. The CIC Building offload area consists of a concrete pad with curbed containment designed to contain small spills. The storage tank areas are within concrete containments with sufficient capacity to contain 110% of the largest tank plus the 100 year, 24 hour storm event. Lone Tree has automated pumps with level controls within the containments for the cyanide storage tank and the CIC area to pump collected solutions into the process circuit. Solution within the secondary containment at the cyanide offload area would be pumped out with a portable pump. The critical process tanks are instrumented with level sensors that are connected to alarms in the control room. Lone Tree uses steel tanks and HDPE pipelines, which are compatible materials for the conveyance of high pH cyanide solutions.

[Signatures and dates]
Lone Tree has constructed all pipelines with spill prevention and containment measures to collect leaks and prevent releases. The pipelines are constructed either as pipe-in-pipe configuration or within lined ditches. All pipelines have secondary containment, either as a pipe-in-pipe configuration or a pipe within an HDPE lined conveyance channel.

Lone Tree has SOPs for secondary containment in the process area for management of tank leakage that involves solution pumping, and protocols for solution transfer. Visual inspections of the secondary containment verified that there are no materials stored within the secondary containment to compromise their capacities.

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

- in full compliance with

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

**Basis for Audit Finding:** Lone Tree has implemented Quality Control/Quality Assurance (QC/QA) programs during construction of all new cyanide facilities and modifications to existing facilities, including cyanide offloading, storage, handling facilities and heap leach pads. The quality control and quality assurance programs addressed the suitability of materials and adequacy of soil compaction for earthworks such as tank foundations and installation of synthetic membrane liners. The project construction has been verified by qualified engineering companies and includes detailed QC/QA data collection and documentation. The QC/QA documents indicate that the construction was completed according to engineering standards and specifications. Lone Tree retains all QC/QA information. Plans and specifications along with the QC/QA documents for the Phase 7 heap leach facilities and the E-Train Carbon Columns were reviewed during the 2013 recertification audit and found to be in conformance with the Code.

**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 of Practice 4.9**
- not in compliance with

**Basis for Audit Finding:** Lone Tree has environmental monitoring programs developed to evaluate the performance of all cyanide management systems on wildlife, surface and ground water quality. The environmental programs have been reviewed and approved by qualified professionals and implemented by qualified personnel and include all appropriate sampling and analysis documentation. These procedures have been reviewed and approved by Nevada Division of Environmental Protection. The programs specify how and where samples should be taken, sample preservation techniques, chain of custody procedures and cyanide species to be determined. Sampling conditions and procedures are documented in writing. Lone Tree inspects for and records wildlife and livestock mortalities. Lone Tree does not discharge cyanide process waters to surface water. Lone Tree’s monitoring program has been designed to adequately characterize the conditions for a variety of media (including environmental, leak detection and process solution) and to identify changes in a timely fashion.

Lone Tree Mine
Name of Facility

Signature of Lead Auditor (Glenn Reays)

Audit Date:

Environmental Resources Management
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
- [ ] in substantial compliance with Standard of Practice 5.1
- [ ] not in compliance with

**Basis for Audit Finding:** Lone Tree has developed a comprehensive closure and reclamation plan that address decommissioning of all cyanide facilities, including a schedule for closure activities. The plan has sufficient detail to support the Code compliance. The plan includes written procedures to decommission the cyanide facilities including: heap leach facilities, process ponds, and processing facilities. The plan includes general descriptions of the commitments for management of cyanide solutions, encapsulation of solids with covers, collection and control of seepage, rinsing of equipment, pipelines and tanks that contained cyanide solution (all rinse will be returned to the containment of process circuit) and disposal of piping and other equipment. Lone Tree is required by Nevada State regulations and their permit requirements to review and update the Reclamation Plan at least every three years. Additional reporting requirements by Security Exchange Commission require that Newmont reevaluate their mine closure liabilities every year.

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

- [ ] in full compliance with
- [ ] in substantial compliance with Standard of Practice 5.2
- [ ] not in compliance with

**Basis for Audit Finding:** Lone Tree’s decommissioning cost estimate is for the funding of third party implementation of the decommissioning activities of the cyanide-related facilities. The cost estimate has been reviewed and approved by the State of Nevada and federal authorities. The estimate included costs for a third-party contractor to complete the work and management costs for the process to be overseen by the Bureau of Land Management (BLM). Assumptions are documented and calculations have been prepared by Lone Tree professionals using the BLM and the NDEP approved model (Standardized Reclamation Cost Estimator).

Lone Tree is required by Nevada State regulations and their permit requirements to review and update the cost estimate at least every three years. Additional reporting requirements by the Security Exchange Commission require Newmont to reevaluate Lone Tree’s mine closure liabilities every year.

Lone Tree has established approved financial mechanisms to cover the estimated costs for cyanide related decommissioning activities.
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

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

☐ not in compliance with

**Basis for Audit Finding:** Auditors verified during the audit if any additions were made to the cyanide facilities since the time of the initial audit. Lone Tree previously used a technology called Downhole Injection in its process. This was discontinued in 2010. In 2010 Lone Tree began performing pad transfers. Lone Tree modified its CIC processes; D train was removed and the new E-Train was introduced. The completed Commissioning Form for E-train was reviewed. Lone Tree has evaluated potential cyanide exposure scenarios and updated its operating plans and procedures to incorporate the procedures required for this new system. All SOPs revised since the time of the initial audit were reviewed to verify compliance. Individual task specific SOPs provide details for safe operation of cyanide equipment, personal protective equipment requirements and inspection requirements. Lone Tree has weekly safety meetings to provide information and training to employees as well as solicit input from employees on worker safety issues. Any proposed changes in SOPs are discussed with the area supervisors prior to implementation. All changes are communicated to the workforce and training requirements updated.

**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

☐ in substantial compliance with  **Standard of Practice 6.2**

☐ not in compliance with

**Basis for Audit Finding:** Lone Tree has reviewed and revised its existing SOPs and plans for the cyanide usage areas designed to prevent the generation of hydrogen cyanide (HCN) gas. The pH is monitored and maintained to prevent the formation of HCN. Cyanide is loaded into a storage tank located outside the CIC building. The barren tank and CIC circuit, located in the CIC building, have adequate ventilation to prevent the build-up of gas. Pregnant ponds containing cyanide are located outdoors and are open to ambient air. Lone Tree has fixed HCN monitors at the top of the barren tank and at the carbon column circuit in the CIC building. In addition, the CIC plant utilizes handheld HCN detectors (GasBadge Pro and Monito detectors) and the emergency response vehicle (ERV) stores an ITX Multi-Gas monitor with a HCN sensor. HCN sensors are set at 4.7 ppm low level alarm and 10 ppm high level alarm. Low level alarms require investigation and high level alarms require evacuation. In addition to an audible alarm, there are warning lights and an alarm display on the control room. HCN monitors are maintained, calibrated and inspected as recommended by the manufacturer. Warning signs are in areas where cyanide is used to alert workers that cyanide is present, that smoking, open flames, eating and drinking are not allowed and that the necessary cyanide-specific PPE must be worn.
Shower, eyewash stations and non-acidic sodium bicarbonate fire extinguishers are located at relevant cyanide usage areas and inspected on a regular basis. Lone Tree provides the cyanide safety information (Material Safety Data Sheets and first aid procedures) at all key process locations. Lone Tree has an Accident Investigation Policy that requires all incidents and accidents involving cyanide exposure be investigated and evaluated to determine if its programs and procedures to protect worker health and safety and to respond to cyanide exposures are adequate or if changes are necessary.

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

- [x] in full compliance with

**The operation is**

- [ ] in substantial compliance with **Standard of Practice 6.3**
- [ ] not in compliance with

**Basis for Audit Finding:** There is water, a cyanide antidote kit (amyl nitrite), radio and telephone at the mill laboratory building. Lone Tree has an ERV that also contains oxygen and automated external defibrillator. The vehicle is located at the admin building. The antidotes are stored at the manufacturer's recommended temperature inside a refrigerator located inside the lab building. Interviews with the Emergency Response Coordinator and examination of inspection records determined that the cyanide first aid equipment is visually inspected every shift as part of the pre-operations inspection and monthly by process and health, safety and loss prevention (HSLP) personnel. The antidote is replaced as specified by the manufacturer's expiration date.

The 2013 ERP contains a section on "Treatment of Victims of Cyanide Exposure." The section details symptoms, routes of exposure, protection of rescuers, treatment procedures and location of first aid equipment. The cyanide related elements of the 2013 ERP include: Rapid Response System, Responsibilities, Evacuation Procedures, Leaks, Spill, Release, Medical Emergencies, Fatal/Potentially Fatal Accidents, Embankment/Slope Failures, Severe Weather/Natural Disaster, Earthquakes, Emergency Utility Shutdown, Off-Site Response, Training and Drills, and Emergency Contacts and Equipment List. Lone Tree workforce has been reduced in the last years due to the cessation of mining and milling. Lone Tree has a trained and equipped Emergency Response Team (ERT) composed of two persons and will use the Phoenix Mine ERT to respond to an incident. The Phoenix mine is located 40 miles south of Lone Tree. Qualifications of the Lone Tree and Phoenix ERTs range from Emergency Medical Technician (EMT), First Responder and Hazmat certifications. In addition to the ERT, Lone Tree has at least one First Responder trained to administer amyl nitrite and oxygen use per shift.

Lone Tree has notified Humboldt General Hospital in Winnemucca and Battle Mountain General Hospital in Battle Mountain of the potential need to treat victims with cyanide exposure, and has determined the facilities have adequate, qualified staff, equipment and expertise to be able to respond effectively. The 2013 ERP includes procedures for transferring a patient exposed to cyanide to the local hospitals. Cyanide antidote available at Lone Tree will be transported with the patient to the hospital.

Lone Tree conducts mock emergency drills based on likely release/exposure scenarios to test the response procedure, and incorporates lessons learned from the drills into its response planning. Lone Tree has identified deficiencies related to its response plans during the mock drills and developed and implemented corrective actions for those deficiencies, as needed.
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 of Practice 7.1**
- [ ] not in compliance with

**Basis for Audit Finding:** Lone Tree has developed several plans and SOPs that address accidental releases of cyanide including containment plans and analysis of potential scenarios. Lone Tree plans contain procedures for potential scenarios such as 1) cyanide intoxication; 2) on-site accidents during cyanide transportation; 3) releases during offloading and mixing; 4) cyanide related fire and explosion; 5) pipe, valve or tank ruptures; 6) electrical power outage and pump failures; 7) overtopping of ponds; 8) uncontrolled seepage; 9) pad slope failure; 10) cyanide spill control and clean-up; and 11) decontamination and emergency evacuation.

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

- [ ] in full compliance with

The operation is
- [ ] in substantial compliance with **Standard of Practice 7.2**
- [ ] not in compliance with

**Basis for Audit Finding:** Lone Tree workforce participates in the emergency response planning process through their weekly safety meeting and through mock drills. Lone Tree workforce has been reduced in the last years due to the cessation of mining and milling. Lone Tree has a trained and equipped ERT composed of two persons and will use the Phoenix Mine ERT to respond to an incident. The Phoenix mine is located 40 miles south of Lone Tree. Qualifications of the Lone Tree and Phoenix ERTs range from EMT, First Responder and Hazmat certifications. Lone Tree workforce has the ability to participate in the emergency response planning process through weekly safety meeting and mock drills.

Lone Tree involves site personnel in mock drills and revises the emergency response as needed. Lone Tree does not plan to use off-site responders. In the event of a medical situation that requires additional medical attention other than what can be provided on-site, the cyanide intoxicated patient will be taken to the nearest medical facility. Lone Tree has notified Humboldt General Hospital in Winnemucca and Battle Mountain General Hospital in Battle Mountain of the potential need to treat victims with cyanide exposure, and has determined the facilities have adequate, qualified staff, equipment and expertise to be able to respond effectively.

The nearest community to the site is Battle Mountain and is located 20 miles east of the site. There are no identified risks of release scenarios that may affect it. However, Lone Tree does provide the opportunity to communicate issues of concern with the public through quarterly community communication sessions, and public communications meetings where members of the general public are provided with information on the use of cyanide.
Standard of Practice 7.3: Designate appropriate personnel and commit necessary equipment and resources for emergency response.

☒ in full compliance with

☐ in substantial compliance with Standard of Practice 7.3

☐ not in compliance with

Basis for Audit Finding: Lone Tree has committed in the Emergency Response Plan and training SOPs the necessary emergency response equipment and first aid to manage all cyanide incidents at the operation and to coordinate transportation to the nearest medical facilities. Lone Tree has certified First Responders, fire fighters and HazMat personnel, including the Phoenix Mine ERT. The 2013 ERP outlines the responsibilities of all employees, the site manager, the health and safety manager, security, the Emergency Response Captain and the Emergency Response Team. The ERT is commanded by a Captain, who reports directly to the Emergency Response Trainer. The Emergency Response Captain is responsible for directing action during emergencies and coordinating with the Supervisor in Charge. Lone Tree has a list of on-site emergency First Responders and ERT. The list also includes the Phoenix Mine ERT. Training for Emergency Responders includes firefighting, HazMat, advanced first aid, vehicle and equipment rescue, rope rescue, incidents command and others. The ERT training includes details for providing first aid for personnel exposed to cyanide, to administer amyl nitrite, locations of cyanide antidote kits, medical oxygen, hazard awareness associated with NaCN and HCN gas, victim and rescuer decontamination procedures.

The 2013 ERP includes radio channel, office and 24-hour cell phone telephone numbers for the ERT and Commanders. Telephone extension numbers of First Responders are also posted at area telephones. First Responders also have radios. The 2013 ERP also includes emergency communication information and call out procedures for local agencies. The 2013 ERP has a list of emergency response equipment for Lone Tree and Phoenix. All emergency equipment and supplies are inspected monthly. Inspection records of the ERV contents, fire extinguishers, first aid and antidote kits, and spill and decontamination equipment were reviewed. Lone Tree does not use off-site responders. In the event of a medical situation that requires additional medical attention, other than what can be provided onsite, workers will be transported to a local hospital. The 2013 ERP provides detailed contact information and describes the anticipated roles of the hospitals, if needed.

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

☒ in full compliance with

☐ in substantial compliance with Standard of Practice 7.4

☐ not in compliance with

Basis for Audit Finding: Lone Tree has procedures and contact information for notifying Lone Tree mine management, Newmont corporate management, the ambulance company; Battle Mountain Hospital, Humboldt General Hospital, Lone Tree and Phoenix Department Phone Numbers, the State and Federal Regulatory agencies (Mine Safety and Health Administration (MSHA), EPA Region IX, Nevada Division of Emergency Management, NDEP Spill/Emergency Response and Bureau of Mining Regulation and Reclamation) and the Utilities (Nevada Energy 24 hour Emergency number). Newmont also has a corporate Rapid Response Team that includes communication procedures for media notification.

Lone Tree Mine
Name of Facility

Signature of Lead Auditor (Glenn Kenys)

April 29-30, 2013
Audit Dates

Environmental Resources Management
**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.

- [x] in full compliance with
- [ ] in substantial compliance with Standard of Practice 7.5
- [ ] not in compliance with

**Basis for Audit Finding:** Lone Tree has developed cyanide response and remediation plans that address appropriate uses and situations for cyanide treatment chemicals. The 2013 ERP describes where the treatment chemical is located, how it is to be prepared to the appropriate concentration, and what final cyanide concentration will be allowed in residual soil as evidence that the release has been completely cleaned up. For large areas of contamination soils samples will be taken and analyzed for WAD cyanide levels to verify contamination area limits. The pH will also be monitored. After clean-up is complete, further soil samples will be taken and analyzed to verify that total clean-up was successful. Cyanide releases are to be disposed of on the heap leach pads or returned to the leaching circuit depending on the physical nature of the release. Necessary monitoring activities in the event of a release will be conducted following the 2013 Lone Tree WPCP requirements and in coordination with the appropriate NDEP Bureau of Mining Regulation and Reclamation representative.

The 2013 ERP prohibits the use of chemicals to treat cyanide that has been released into surface waters. There are no surface water bodies on the property. The nearest surface water body is on site (Pit Lake), and there is no drainage access to the Humboldt River. Lone Tree uses bottled water for drinking water supply therefore drinking water cannot be affected by a cyanide spill.

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

- [x] in full compliance with
- [ ] in substantial compliance with Standard of Practice 7.6
- [ ] not in compliance with

**Basis for Audit Finding:** The ERP is reviewed and evaluated annually. It is also reviewed following any incident or mock drill when it is necessary, to determine if the planned response procedures are adequate or require revision.

Lone Tree conducts annual mock drills based on likely cyanide release/exposure scenarios to test the response procedure and incorporate lessons learned from the mock drills into its response planning. Lone Tree conducted a mock drill on 02/12/13. The drill was a mayday drill related to cyanide exposure and cyanide spill at the Phase 7 Leach Pad. The drill included emergency notification and response. The response included mobilizing the ERV unit, personnel, ERT team and SCBA units. First aid was given to the patient and access was restricted. The ERT critiqued the drill and identified deficiencies and corrective actions. Auditors verified that corrective actions have been implemented.

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Lone Tree Mine
Name of Facility

Signature of Lead Auditor (Glenn Kenys)

April 29-30, 2013
Audit Dates

Environmental Resources Management

Page 17
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

☐ in substantial compliance with Standard of Practice 8.1

☐ not in compliance with

Basis for Audit Finding: Lone Tree provides initial training and annual refresher training to all employees on the hazards of cyanide. Lone Tree retains all cyanide training records for all employees. Training records include the names of the employee and the trainer, the date of training, the topics covered, and test results demonstrating an understanding of the training.

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

☐ in substantial compliance with Standard of Practice 8.2

☐ not in compliance with

Basis for Audit Finding: All personnel in job positions that involve the use of cyanide and cyanide management (including offloading, production and maintenance) receive training on how to perform their assigned tasks with minimum risk to worker health and safety. Task-specific training is provided prior to working with cyanide independently. The cyanide-related training elements necessary for each job are located on the Lone Tree intranet. In addition to the task specific training, there is Hazard Training and Chemical Safety that includes cyanide management and first aid.

Lone Tree provides training elements necessary for each job identified in the training materials for the CIC/leach operator. Qualified personnel provide task specific training related to cyanide management. The trainers are MSHA and Hazard Communication (HAZCOM) certified and are First Responders. The task specific training to new operators is provided by various leach/CIC supervisors who have several years of experience in the mine process.

Lone Tree requires and provides annual refresher for cyanide management. Cyanide refresher training includes: emergency communication procedures, signs, audible and visual alarms, cyanide safety awareness, hazard communications, hazardous materials identification labels, routes of entry, first aid and MSDSs. Employees working with cyanide receive annual refresher on cyanide in the MSHA and HAZCOM training. In addition, Lone Tree discusses cyanide-related health and safety issues as well as changes in cyanide management SOPs, if any, at safety meetings.
Lone Tree requires written tests to evaluate the effectiveness of cyanide training. An employee is also evaluated on an oral quiz as part of the task specific training. In addition, employees are evaluated on their job performance by their supervisors through field observation of specific tasks. Training records are retained by Lone Tree. Training records include the name of the employee and the trainer, the date of training; the topics covered, and test results demonstrating an employee’s understanding of the training materials.

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

- in full compliance with

- in substantial compliance with Standard of Practice 8.3

- not in compliance with

**Basis for Audit Finding:** Personnel responsible for offloading, mixing, production, and maintenance are trained in decontamination and first aid procedures for cyanide release incidents. Employees working with cyanide are trained in cyanide awareness, cyanide emergency response (including evacuation), first aid for cyanide poisoning, spill response (spills and leaks in the process area, spills during transportation of cyanide, etc.), use of the emergency response equipment, emergency communication procedures, signs, audible and visual alarms and MSDSs. Lone Tree Emergency Response Coordinators and members of the ERT have specialized training as specified by MSHA. This training includes decontamination and first aid procedures for cyanide release incidents. Members of the ERT are trained in firefighting, HazMat, advanced first aid, vehicle and equipment rescue, rope rescue, incidents command and others. Emergency Response Coordinators and members of the ERT are also trained in the procedures described in the 2013 ERP and in the use of necessary response equipment.

Lone Tree does not use off-site emergency responders. In the event of a medical situation that requires additional medical attention other than what can be provided on-site, Lone Tree will deploy their ERV and simultaneously call an ambulance to take the person to the hospital. Lone Tree has notified Humboldt General Hospital in Winnemucca and Battle Mountain General Hospital in Battle Mountain of the potential need to treat victims with cyanide exposure, and has determined the facility has adequate, qualified staff, equipment and expertise to be able to respond effectively.

Lone Tree requires and provides annual refresher for cyanide management. Cyanide refresher training includes: cyanide awareness, cyanide emergency response (including evacuation), first aid for cyanide poisoning, spill response (spills and leaks in the process area, spills during transportation of cyanide, etc.), use of the emergency response equipment, emergency communication procedures, signs, audible and visual alarms and MSDSs. Employees working with cyanide receive annual refresher on cyanide in the MSHA and HAZCOM training.

Lone Tree conducts annual mock emergency drills to test response procedures and incorporates lessons learned from the mock drills into its response planning. Cyanide emergency drills are evaluated from a training perspective to determine if personnel have knowledge and skills required for effective response. Training procedures are revised, if needed. Documentation of the drills is kept with the Emergency Response Coordinator.

Training records are retained throughout an individual's employment documenting the cyanide training they receive. The records include the names of the employee and the trainer, the date of training; the topics covered, and test results demonstrating an understanding of the training materials. Lone Tree’s HSLP Department or department responsible for training retains the records.

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**Lone Tree Mine**

**Name of Facility**

**Signature of Lead Auditor (Glenn Kenys)**

**Audit Dates**

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**Environmental Resources Management**

Page 19
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

☐ in substantial compliance with Standard of Practice 9.1

☐ not in compliance with

Basis for Audit Finding: Lone Tree sponsors and conducts quarterly community communication sessions where the members of the general public and government leaders are encouraged to attend and discuss issues related to the mining operation including the use of cyanide. Stakeholder maps are located at each site. Lone Tree provided a new pamphlet and CN factsheet at the stakeholder meeting, which was attended by the General Manager of Operations, community leaders and other community stakeholders and business leaders. Internal information cards were given to employees with contact information.

Newmont published monthly articles called “Newmont Notes” in local papers to inform the public about the activities conducted in its Nevada operations. There is a community information line number listed on the “Newmont Notes” that allows individuals make inquiries (such as cyanide) and contact the mine to schedule a tour of the facilities.

Lone Tree provided an opportunity for stakeholders to communicate issues during the 30-day public comment period for the renewal of its WPCP (Permit No: NEV0000008).

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

☐ in full compliance with

☐ in substantial compliance with Standard of Practice 9.2

☐ not in compliance with

Basis for Audit Finding: Lone Tree creates opportunities to interact with stakeholders and provide them with information regarding cyanide management practices and procedures through contact with the local stakeholders during mock drills, quarterly communication sessions and public tours.

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

☐ in full compliance with

☐ in substantial compliance with Standard of Practice 9.3

☐ not in compliance with
Basis for Audit Finding: Lone Tree provides quarterly reports to the NDEP Bureau of Mining Regulation and Reclamation that includes a summary of cyanide spills and releases, and environmental performance monitoring. These reports are available to the public by request. Lone Tree is required to complete MSHA reports that would include any cyanide related worker exposure or death.

Operational and environmental information is provided in Newmont's corporate annual report and on Newmont's website (www.newmont.com). The website provides for the download of its 2010-2012 corporate sustainability report titled "Beyond the Mine." The website has an environmental record for spill management and cyanide incidents and includes Lone Tree.