



JANUARY 2017

## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

# Lone Tree Mine Nevada, USA

REPORT

**Submitted to:**

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

**And**

Newmont USA Limited  
Lone Tree Operations  
Post Office Box 1657  
Battle Mountain, NV 89820 USA

**Submitted by:**

Golder Associates Inc.  
4730 N. Oracle, Suite 210  
Tucson, AZ 85705 USA

**Project Number:** 1651093

**Distribution:**

ICMI – one PDF  
Lone Tree Mine – one PDF and one Word file





## Table of Contents

<b>1.0</b>	<b>SUMMARY AUDIT REPORT FOR GOLD MINING OPERATIONS</b>	<b>1</b>
<b>2.0</b>	<b>LOCATION DETAIL AND DESCRIPTION OF OPERATION</b>	<b>2</b>
2.1	Mine Location	2
2.2	Background	2
	<b>SUMMARY AUDIT REPORT</b>	<b>4</b>
	Auditors Findings	4
	Name of Other Auditors	4
	Dates of Audit	4
	<b>PRINCIPLE 1 – PRODUCTION</b>	<b>5</b>
	<b>PRINCIPLE 2 – TRANSPORTATION</b>	<b>6</b>
	<b>PRINCIPLE 3 – HANDLING AND STORAGE</b>	<b>8</b>
	<b>PRINCIPLE 4 – OPERATIONS</b>	<b>10</b>
	<b>PRINCIPLE 5 – DECOMMISSIONING</b>	<b>18</b>
	<b>PRINCIPLE 6 – WORKER SAFETY</b>	<b>20</b>
	<b>PRINCIPLE 7 – EMERGENCY RESPONSE</b>	<b>24</b>
	<b>PRINCIPLE 8 – TRAINING</b>	<b>29</b>
	<b>PRINCIPLE 9 – DIALOGUE</b>	<b>32</b>
	<b>FIGURES</b>	
	Figure 1: Regional Location Map	2
	Figure 2: Lone Tree Cyanide Facilities	3
	Figure 3: Lone Tree Process Flow Diagram	3



1.0 SUMMARY AUDIT REPORT FOR GOLD MINING OPERATIONS

**Name of Mine:** Lone Tree Mine  
**Name of Mine Owner:** Newmont USA Limited  
**Name of Mine Operator:** Phoenix-Lone Tree Operations  
**Name of Responsible Manager:** Mr. Andrew Woodley  
Regional Senior Vice President  
North America Operations  
**Address:** Newmont USA Limited  
Lone Tree Mine  
PO Box 1657  
Battle Mountain, Nevada 89820  
**Country:** USA  
**Telephone:** +1 775 778 4000  
**Fax:** +1 775 778 2513  
**E-Mail:** Andrew.Woodley@newmont.com

Lone Tree Mine  
Name of Facility

January 2017  
Project No. 1651093

Signature of Lead Auditor

January 20, 2017  
Date





## 2.0 LOCATION DETAIL AND DESCRIPTION OF OPERATION

### 2.1 Mine Location

Newmont USA Limited (Newmont) operates the Lone Tree Mine (Lone Tree) located in Humboldt County, Nevada between the towns of Battle Mountain and Winnemucca. The mine is located approximately 30 miles to the west of the community of Battle Mountain and immediately to the south of Interstate 80 (Figure 1). Newmont operates Lone Tree in conjunction with their nearby Phoenix Mine, located to the southeast of Battle Mountain.



Figure 1: Regional Location Map

### 2.2 Background

Lone Tree consists of reclaimed overburden and waste rock stockpiles; an inactive mill; a reclaimed Tailings Storage Facility (TSF) with an active seepage control pond; an inactive open pit with a pit lake; an active Heap Leach Facility (HLF) with seven phases and three ponds; a CIC building with one active train and two inactive trains; a separate outdoor CIC train; a precipitation circuit (converted from part of the former milling circuits); an offload for liquid cyanide; administration building; maintenance facilities; and access and haul roads. The Hydro-Jex system to inject barren solution into the HLF for re-leaching is no longer in use. Carbon with gold values is loaded into trucks at the CIC building for transport to the Phoenix Mine for additional processing; no stripping or refining occurs at Lone Tree. Lone Tree is re-mining leached ore from

Lone Tree Mine  
Name of Facility

January 2017  
Project No. 1651093

Signature of Lead Auditor

January 20, 2017  
Date





# ICMC RECERTIFICATION SUMMARY AUDIT REPORT

certain phases of the HLF to other phases for re-leaching, as well as adding new ore from the nearby Brooks Expansion. Mining at the Brooks Expansion started in 2016 and is scheduled to continue for a year or two. All of the active cyanide facilities are located near the HLF (Figure 2).



Figure 2: Lone Tree Cyanide Facilities

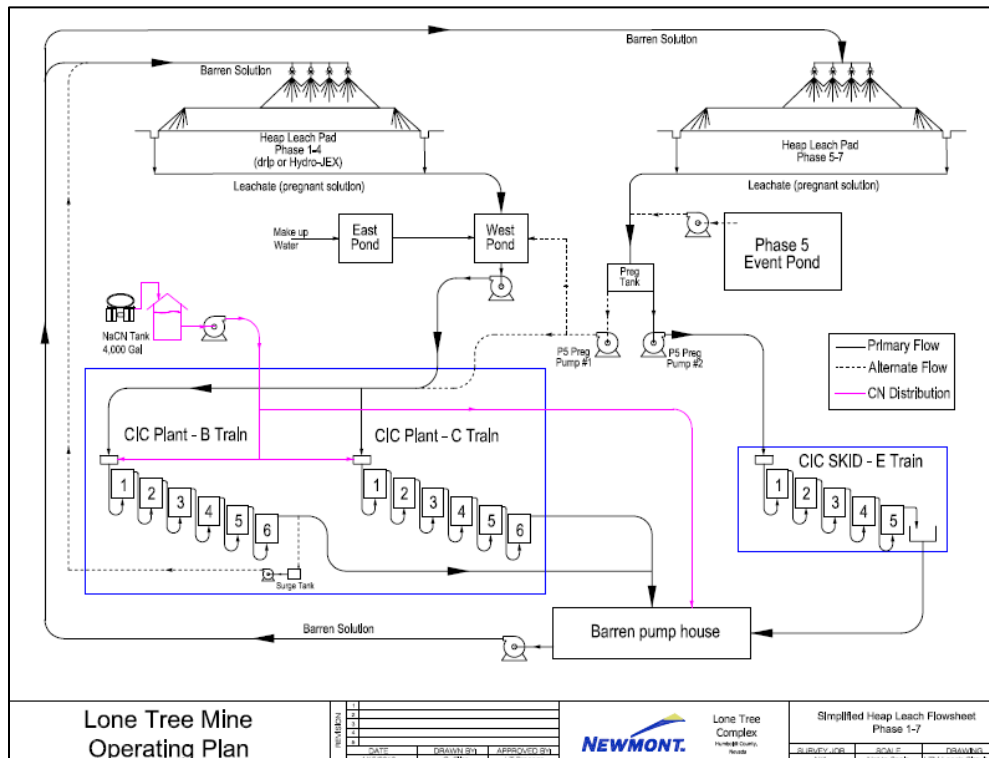


Figure 3: Lone Tree Process Flow Diagram

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093





SUMMARY AUDIT REPORT

Auditors Findings

Lone Tree is: [X] in full compliance with The International Cyanide Management Code
[ ] in substantial compliance with
[ ] not in compliance with

No significant cyanide incidents or cyanide exposure incidents were noted as occurring during the audit period.

Audit Company: Golder Associates Inc.
Audit Team Leader: Kent Johnejack, Lead Auditor and Technical Specialist
Email: kjohnejack@golder.com

Name of Other Auditors

Table with 2 columns: Name, Position and Signature. Row 1: Ivon Aguinaga, Mining Technical Specialist, [Signature]

Dates of Audit

The Recertification Audit was undertaken over 3 days between July 25 and 27, 2016.

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 Cyanide Gold Mine Operations and using standard and accepted practices for health, safety and environmental audits.

Lone Tree Mine Name of Facility [Signature] Signature of Lead Auditor January 20, 2017 Date

Lone Tree Mine Name of Facility [Signature] Signature of Lead Auditor January 20, 2017 Date





PRINCIPLE 1 – PRODUCTION

Encourage Responsible Cyanide Manufacturing by Purchasing from Manufacturers that Operate in a Safe and Environmentally Protective Manner

Standard of Practice 1.1: Purchase cyanide from 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 of Practice 1.1

not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 1.1, requiring the operation 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.

Lone Tree purchased cyanide during the recertification period from Cyanco, a producer which is compliant with the Code. Provisions to the 2002 contract (for the term from 2002 to 2015) between Newmont and Cyanco state that Cyanco shall remain a signatory to the Code and comply with the Code’s Production and Transportation Principles and Standards of Practice during the duration of the contract. The 2016 contract with Cyanco does not have these provisions; however, Lone Tree demonstrated that they only purchased cyanide during the recertification period from Cyanco’s production facility in Winnemucca, Nevada, and that Lone Tree did not use any independent distributors. Cyanco’s production facility was most recently certified under the Code on November 22, 2016.

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093





PRINCIPLE 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.

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 2.1

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 2.1, requiring that the operation establish clear lines of responsibility for safety, security, release prevention, training and emergency response in written agreements with producers, distributors and transporters.

Newmont has a sodium cyanide supply contract with Cyanco, which specifies that the operation takes ownership of the cyanide at the time of delivery. Cyanco is by contract solely responsible for the production and transport of sodium cyanide to the delivery point at Lone Tree. Cyanco is a signatory producer to the Code and subcontracts TransWood for transportation of the cyanide to Lone Tree. TransWood is a signatory to the Code and was most recently recertified as fully compliant with the Code on January 12, 2017.

Provisions to the contract between Newmont and Cyanco (for the term between January 1, 2000 and December 31, 2015) establish clear lines of responsibility for safety, security release prevention, training and emergency response for Cyanco. Also, the most recent purchase and sale agreement between Newmont and Cyanco (effective from January 1, 2016 to December 31, 2020) states under Article III that the "Seller shall utilize an ICMC certified motor carrier for product delivery". Designated responsibilities for TransWood have been evaluated as part of its recertification audits under the Code.

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

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 2.2

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

Lone Tree Mine
Name of Facility

[Handwritten Signature]

January 20, 2017
Date

Signature of Lead Auditor







## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

The operation is in full compliance with Standard of Practice 2.2, requiring that cyanide transporters implement appropriate emergency response plans and capabilities and employ adequate measures for cyanide management.

Cyanco is by contract solely responsible for the production and transport of cyanide to the delivery point at Lone Tree. Cyanco is a signatory producer to the Code and subcontracts TransWood for transportation of the cyanide to Lone Tree. TransWood is a signatory to the Code and was most recently recertified as fully compliant with the Code on January 12, 2017. The auditors reviewed bills of lading from throughout the recertification period to verify that the cyanide delivered to Lone Tree was produced by Cyanco and transported by TransWood.

Lone Tree Mine  
Name of Facility

January 2017  
Project No. 1651093

Signature of Lead Auditor

January 20, 2017  
Date





PRINCIPLE 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

The operation is

[ ] in substantial compliance with

Standard of Practice 3.1

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 3.1, requiring that cyanide handling and storage facilities are designed and constructed consistent with sound, accepted engineering practices, quality assurance/quality control (QA/QC) procedures, spill prevention and spill containment measures.

Lone Tree has designed and constructed the cyanide offloading facility with sound engineering practices. Lone Tree receives liquid cyanide and distributes it from one storage tank. The facility has not changed since the initial certification audit and therefore those findings are still valid. The design and construction were documented in an as-built report stamped by a Nevada professional engineer. The auditors observed the facility to be in good condition.

Lone Tree has located the offload and storage tank away from people and surface waters. The offload is located outside of the CIC plant where there are no offices or places that staff would congregate. There is no surface water in the vicinity of the mine given the arid climate.

Lone Tree offloads liquid cyanide on a curbed, epoxy-coated concrete ramp to minimize seepage to the subsurface. The offload ramp slopes towards a sump that can be pumped out to recover spills, Lone Tree would implement a written procedure for remediation of cyanide contaminated soils in the event of significant spills. The auditors observed the ramp and sump to be in good condition.

Lone Tree has installed an ultrasonic level sensor near the top of the storage tank and a mechanical dial gage on the side of the tank. The auditors observed that both were functioning correctly. In addition, the tank is equipped with telemetry that reports to Cyanco for scheduling deliveries so that a delivery will not exceed the tank capacity.

Lone Tree has installed the cyanide storage tank on a concrete base within an epoxy-coated concrete secondary containment that prevents seepage to the subsurface and is competent barrier to leakage. The

Lone Tree Mine
Name of Facility

[Handwritten Signature]

January 20, 2017
Date

Signature of Lead Auditor

January 2017
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

containment has a sump with a pump that automatically returns solution to the process circuit. The auditors observed the containment to be in good condition.

Lone Tree stores liquid cyanide in the storage tank that is located in the open air to prevent the build-up of HCN gas. The tank is located within the fenced mine area with security to limit public access. The valves on the cyanide storage tank are locked out to prevent unauthorized operation. The storage tank is located within its own secondary containment. There are no acids, strong oxidizers, explosives, foods, animal feeds, and tobacco products stored in the vicinity of the storage tank.

**Standard of Practice 3.2: Operate unloading storage and mixing facilities using inspections, preventative 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 of Practice 3.2**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Practice 3.2 requiring that cyanide handling and storage facilities are operated using inspections, preventive maintenance and contingency plans to prevent or contain releases and control and respond to worker exposures.

Lone Tree receives liquid cyanide produced by Cyanco and delivered by TransWood. The liquid is transferred directly from the tanker to the cyanide storage tank and as such there are no empty cyanide containers to be managed. Lone Tree has developed a procedure for cyanide offloading that includes measures to prevent exposures and releases of cyanide during unloading and storage. Lone Tree has a copy of Cyanco's Sodium Cyanide Delivery Procedure that includes step by step offload procedures. Lone Tree requires appropriate personal protective equipment and observation by an operator during the connection and disconnection process. Both the transporter and operator check to confirm that the storage tank has sufficient capacity for the unloading. The Lone Tree operator is trained in emergency procedures, valve operation, and the truck's emergency shut off. The auditors observed an offload to verify that the procedure was followed.

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093



PRINCIPLE 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 including contingency planning and inspection and preventative maintenance procedures.

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 4.1

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 4.1, requiring that the operation implement management and operating systems designed to protect human health and the environment including contingency planning and inspection and preventive maintenance procedures.

The Lone Tree cyanide facilities are the: cyanide offload and storage tank at the CIC Plant; B-Train at the CIC Plant; E-Train at the HLF; HLF Phases 1 to 7; East Pond, West Pond, and Phase 5 Pond; barren box and barren pump house; precipitation circuit; associated piping, sumps, pumps, secondary containments, and appurtenances; and run-on diversion channels for the HLF. The only change for this audit cycle was the re-start of the precipitation circuit.

Lone Tree has implemented cyanide management and operating systems to protect human health and the environment. At the highest level, Lone Tree is ISO 14001 certified for environmental management and operates under the umbrella of the Newmont corporate Sustainability and External Relations program. Lone Tree has developed operating plans, procedures, and permits that describe the practices necessary for the safe and environmentally sound operation of the facility, including the specific measures needed for compliance with the Code and regulatory requirements. The Lone Tree Operating Plan and Water Pollution Control Permit cover the water management strategies for process facilities.

Lone Tree has implemented a management of change procedure developed by Newmont at the corporate level. The procedure is accompanied by an electronic change management tracking tool that documents approvals. The auditors reviewed the management of change form for the re-start of the precipitation circuit to verify compliance. Key stakeholders included environmental and safety representatives.

The Lone Tree Mine Operating Plan contains contingency actions for non-standard operating conditions such as: elevated leak detection flow rates; release prevention; pond overtopping prevention; pond

Lone Tree Mine
Name of Facility

[Handwritten Signature]

Signature of Lead Auditor

January 20, 2017
Date

January 2017
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

overtopping response; earthquakes, and temporary closure. The Water Pollution Control Permit contains other contingency actions for exceedances of permit conditions and groundwater standards.

Lone Tree inspects cyanide facilities at a frequency appropriate to assure that the facilities are functioning as expected. These regular inspections include the CIC Plant, Precipitation Circuit, and HLF (daily); leak detection systems (daily); cyanide secondary containments (weekly); run-on diversion channels (quarterly); and planned general inspections (approximately monthly). Lone Tree conducted non-destructive testing on the cyanide storage tank twice during the recertification period to evaluate structural integrity. The weekly cyanide secondary containment inspections include visual evaluation of the containment for cracking, presence of debris and fluids, and proper functioning of the sumps and pumps. The daily operator inspections include visual evaluation of pipelines, pumps, and valves for deterioration and leaking. The daily inspections of the leak detection systems include flow rate and pH. The daily inspections include water levels in the process ponds. Lone Tree documents inspections using forms and the Cintellate software. The documentation includes the name of the inspector, date, and comments. Deficiency notifications are sent to maintenance planners where they are scheduled for corrective maintenance via work orders. The SAP software tracks completion of the work orders. The auditors reviewed completed examples of inspection forms for the recertification period to verify compliance.

Lone Tree has implemented a preventative maintenance program to ensure equipment and devices function for safe cyanide management. Lone Tree uses the SAP software to manage maintenance. Both proactive and reactive maintenance are included. To verify compliance, the auditors reviewed maintenance histories in SAP for eight randomly selected pieces of equipment related to cyanide management. Lone Tree also has installed redundant pumps for key functions and has spare units and parts available in the warehouse.

Lone Tree has two emergency generators to operate pumps and other equipment to prevent releases and exposures. Lone Tree performs monthly start-up testing and has contracted with vendor to perform preventative maintenance every 6 months. The auditors observed that both generators were in good condition and reviewed maintenance records to verify compliance.

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

in full compliance with

**The operation is**

in substantial compliance with

**Standard of Practice 4.2**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093



## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

The operation is in full compliance with Standard of Practice 4.2, requiring that the operation limit the use of cyanide to that optimal for economic recovery of gold so that the waste tailings material has as low a cyanide concentration as practical.

Not applicable because the Lone Tree mill has been inactive since 2007.

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

in full compliance with

The operation is

in substantial compliance with

**Standard of Practice 4.3**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 4.3, requiring the operation to implement a comprehensive water management program to protect against unintentional releases.

Lone Tree has developed an initial water balance using GoldSim, a stochastic modelling tool. This water balance is comprehensive in that it includes the HLF and associated pumping facilities and ponds. It is probabilistic in that it is based on distributions of input parameters and includes the 100-year, 24-hour precipitation event plus 8 hours of draindown during a power outage. The water balance considers, as appropriate for the site and climate, the solution application rate, precipitation, evaporation, and ore moisture content. Run-on is not included in the model because run-on is prevented by diversion channels and a raised perimeter berm around the HLF. Freezing and thawing are not considered an issue given the desert climate. Leaching solution is not discharged and there are no treatment, destruction or regeneration systems. The water table is approximately 140 feet below the bottom of the HLF and no other aspects of facility design have been identified that could affect the water balance.

Lone Tree has implemented the water balance to prevent overtopping. Operators record pond levels during their daily log sheets and two of the three ponds are equipped with ultrasonic level sensors that report to the control room. Lone Tree inspects surface water diversions on a quarterly basis and after large rainfalls. The auditors reviewed daily log sheets and quarterly inspection forms from throughout the recertification period to verify compliance.

Lone Tree has designed the three process ponds with a minimum 2 feet of freeboard. Lone Tree provided time series graphs that showed the ponds were operated well below the freeboard level throughout the recertification period.

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

Lone Tree measures precipitation at a weather station located at the northwest corner of the HLF. Results are reviewed on a monthly basis.

**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

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 4.4, requiring the operation implement measures to protect birds, other wildlife and livestock from adverse effects of cyanide process solutions.

Lone Tree has implemented measures to restrict access to cyanide solutions by wildlife and livestock. Based on quarterly sampling reports submitted to regulators, the concentrations of WAD cyanide in the ponds during the recertification period ranged from approximately 0.6 to 62 mg/L. The HLF and ponds are fenced with a combination of chain link and barbed wire fencing. The ponds are covered with birdballs and there is no open water. The auditors observed these restrictive measures to be in good condition.

The measures to restrict wildlife and livestock have been effective in preventing significant wildlife mortality. Based on quarterly reports submitted to regulators, there were no wildlife mortalities attributable to cyanide exposure during the recertification period.

Lone Tree applies leach solutions in a manner that avoids significant ponding on the leach surfaces. Leach solution is applied with drip emitters on the top surface and with wobblers or drip emitters on the side slopes. Leach process operators stated that the ore is generally coarse, the application rate is low, and the precipitation circuit removes fines, all of which combine to reduce the potential for ponding. The operators conduct daily inspections where ponding, if present, would be noted and mitigated by adjusting flow rates and filling in low spots. The auditors did not observe significant ponding or overspray during the site visit.

**Standard of Practice 4.5: Implement measures to protect fish and wildlife from direct or 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

**Summarize the basis for this finding/deficiencies identified:**

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093



## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

The operation is in full compliance with Standard of Practice 4.5, requiring the operation implement measures to protect fish and wildlife from direct or indirect discharges of cyanide process solutions to surface water.

Lone Tree does not have any direct or indirect discharges to surface water, nor is there any established mixing zone or surface water remediation. Discharges to surface water are prohibited by the mine's permits.

**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 of Practice 4.6**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 4.6, requiring the operation implement measures designed to manage seepage from cyanide facilities to protect the beneficial uses of groundwater.

Lone Tree has implemented the measures to protect the beneficial uses of groundwater. The HLF is comprised of a low permeability liner under an HDPE liner with leak collection systems. The process ponds are HDPE double lined with leak collection systems. The CIC Plant and Precipitation Circuit have curbed concrete floors with sumps. The conveyances between the facilities consist of HDPE pipes within lined secondary containment channels, or pipe-in-pipe configurations, or pipes within pipe trays. Lone Tree has not changed these measures during the recertification period. The auditors observed these measures to be in good condition.

The beneficial uses for groundwater in the vicinity of the cyanide facilities are water supply for mining, potable water, and livestock. The State of Nevada standard is 0.2 ppm WAD cyanide. Lone Tree monitors five point-of-compliance wells around the cyanide facilities in accordance with its Water Pollution Control Permit issued by the Nevada Department of Environmental Protection. The direction of the gradient is approximately from the south to the north in the vicinity of the cyanide facilities. The quarterly monitoring for the recertification period showed no detectable WAD cyanide in groundwater.

Lone Tree does not have an active mill or underground mining; therefore Lone Tree does not use tailings as underground backfill.

Lone Tree has not caused cyanide concentrations in groundwater to rise above levels protective of beneficial uses; therefore Lone Tree is not engaged in remedial activity related to cyanide.

Lone Tree Mine  
Name of Facility

January 20, 2017  
Date

Signature of Lead Auditor

January 2017  
Project No. 1651093







## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

**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 of Practice 4.7**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 4.7 requiring that the operation provide spill prevention or containment measures for process tanks and pipelines.

Lone Tree has provided secondary containment for all cyanide mixing, storage, and process solution tanks. Lone Tree has sized the secondary containments to hold at least 110 percent of the largest tank plus the 100-year, 24-hour precipitation event. Given that Lone Tree has not changed these secondary containments since the initial certification audit and subsequent recertification audits, compliance was achieved at that point in time and has been maintained thereafter. The auditors observed the secondary containments to be in good condition during the site visit.

Lone Tree does not discharge cyanide solution or cyanide-contaminated water from secondary containment to the environment. Lone Tree has designed the secondary containments with sumps that automatically return solutions to the process circuit, or with gravity flow-through capabilities to adjacent process ponds.

Lone Tree has provided both spill containment and spill prevention measures for all pipelines conveying cyanide solutions. Pipelines are contained in HDPE-lined ditches, within pipe-in-pipe systems, or in overhead pipe trays. In addition, the barren and pregnant pipelines to and from the HLF are equipped with pressure and/or flow monitoring systems that report to the control room. Lone Tree does not have any cyanide pipelines that pose a risk to surface water given the arid climate and lack of surface water.

Lone Tree has constructed cyanide tanks and pipelines of steel and HDPE, which are materials compatible with cyanide and high pH. The auditors observed the pipelines to be in good condition.

**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

**Summarize the basis for this finding/deficiencies identified:**

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

The operation is in full compliance with Standard of Practice 4.8 requiring that operations implement QA/QC procedures to confirm that cyanide facilities are constructed according to accepted engineering standards and specifications.

Lone Tree has not modified any existing cyanide facilities or added any new cyanide facilities during this audit cycle. Therefore, Lone Tree complied with this question during the previous audit cycles and has been maintained thereafter. During the previous audit cycles, Lone Tree has implemented construction quality assurance for all cyanide facilities; addressed the suitability of materials and construction activities; and retained qualified engineers to verify that the facilities were constructed as designed and approved.

Lone Tree has retained QA/QC records for the cyanide facilities. The auditors reviewed a tracking spreadsheet to verify compliance. The auditors also observed hard copies of QA/QC reports in the Lone Tree central documents office.

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

in full compliance with

The operation is

in substantial compliance with

**Standard of Practice 4.9**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 4.9 requiring that operations implement monitoring programs to evaluate the effects of cyanide use on wildlife, surface and groundwater quality.

Lone Tree has developed a written procedure for water sampling and monitoring. Lone Tree has used qualified personnel trained in environmental science to develop, review, and revise the water sampling and monitoring procedure since its initial preparation by an environmental consultant in 2002.

The Lone Tree procedure and regulatory permit specify the sampling requirements, including field methods, filtration, preservation, containerization, handling, shipping, data management, and chain-of-custody. The Water Pollution Control Permit specifies the list of analytes, sampling locations, and sampling frequencies; the required cyanide species is WAD cyanide.

Lone Tree documents sampling conditions and procedures on a sampling log that accompanies each sample, including weather conditions and anthropogenic influences. The auditors reviewed completed examples from throughout the recertification period to verify compliance.

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

Lone Tree monitors for cyanide as required by the Water Pollution Control Permit for the site. Groundwater is monitored at five wells in the vicinity of the HLF, process ponds, and CIC Plant. Groundwater is sampled quarterly, a frequency that is appropriate for the medium being monitored and to identify changes in a timely manner. Surface water monitoring is not required because Lone Tree is a zero discharge operation and there is negligible surface water in the arid environment.

Lone Tree inspects for wildlife mortalities on a daily basis and records the inspection results on log sheets and inspection forms. Lone Tree also trains operators annually on proper methods for reporting and handling mortalities. The auditors reviewed these sheets, forms, and regulatory reports from throughout the recertification period to verify compliance.

Lone Tree Mine  
Name of Facility

January 2017  
Project No. 1651093

\_\_\_\_\_  
Signature of Lead Auditor

January 20, 2017  
Date





PRINCIPLE 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.

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 5.1

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 5.1 requiring that the site plan and implement procedures for effective decommissioning of cyanide facilities to protect human health, wildlife and livestock.

Lone Tree has developed procedures for decommissioning that include the appropriate facilities and activities. The Lone Tree Reclamation Plan includes the heap leach pad, ponds, pipelines, pumps, tanks, and plant components. Cyanide-related equipment, pipelines, and tanks will be triple rinsed. Residual cyanide will be used up at the time of closure. Pad and pond closure will involve pad rinsing, removal of solution inventory, and construction of an evapotranspiration cell to manage long-term draindown.

The Lone Tree Reclamation Plan contains a Gantt chart schedule as Table 2. This implementation schedule is based on calendar years and quarters. Decommissioning of the cyanide facilities is planned for 2020 to 2030, including pad rinsing and solution inventory removal.

Lone Tree has updated its reclamation plan at least every 3 years as required by regulations. The plan was initially prepared in 2006 and updated in 2007, 2008, 2010, and 2011. The current plan is dated 2015. Regulators allowed Lone Tree more than 3 years because of the 2014 mine expansion.

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

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 5.2

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with the Standard of Practice 5.2 requiring that the site establish an assurance mechanism capable of fully funding cyanide related decommissioning activities.

Lone Tree Mine
Name of Facility

[Handwritten Signature]

January 20, 2017
Date

Signature of Lead Auditor

January 2017
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

Lone Tree has developed a closure cost estimate for reclamation activities, including those activities for cyanide decommissioning. Lone Tree used the Standardized Reclamation Cost Estimator (SRCE) to estimate costs. SRCE is a cost estimating tool approved by regulators. As such, unit costs for labor and equipment were based on third-party rates. The SRCE model did not explicitly break out cyanide decommissioning activities; rather they were included in a subset of costs for building demolition, heap leach pad process fluid stabilization, and process pond closure. Lone Tree has updated its cost estimate twice within the last 5 years (i.e., 2011 and 2015) to meet regulatory requirements. Lone Tree has established a financial mechanism, consisting of surety bonds and a letter of credit, approved by regulators. The subset of costs for cyanide decommissioning was considerably less than the total amount of financial assurance for overall mine closure.

Lone Tree Mine  
Name of Facility

January 2017  
Project No. 1651093

Signature of Lead Auditor

January 20, 2017  
Date





PRINCIPLE 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 eliminated, reduce and control them.

in full compliance with

The operation is

in substantial compliance with

Standard of Practice 6.1

not in compliance with

Summarize the basis for this finding/deficiencies identified:

The site is in full compliance with Standard of Practice 6.1 requiring that the site identify potential cyanide exposure scenarios and take measures as necessary to eliminate, reduce and control them.

Lone Tree has developed written procedures and plans that describe the safe management and operation of the cyanide facilities. The plans and procedures have been developed for the cyanide unloading, process facilities, confined spaces, and equipment decontamination. The procedures have been updated on a regular basis.

Lone Tree conducts pre-work inspections prior to cyanide unloading as part of the Cyanco inspection and the CIC Daily Operators Inspection. The TransWood driver and the Lone Tree operator jointly conduct the pre-work inspection, as documented in the bills of lading. This inspection includes the verification of the safety shower and eye wash station, the pH, the cyanide storage tank level, the conditions of the offload pad, and PPE. This pre-inspection is complemented with a daily inspection conducted by the CIC operator that verifies the functionality of the safety showers and eye wash stations, the offload pad, secondary containments, sumps and pumps, and piping. In addition, Lone Tree conducts a thorough suite of daily inspections for all cyanide facilities and activities.

Lone Tree has a Change Management procedure that applies to all changes, planned or unplanned, sudden or gradual, at any new projects and/or significant modifications. The proposed change is evaluated and approved by the Leadership Team representatives, including engineering, process, environmental, and HSLP departments, as applicable the proposed change. The approved change is communicated to workers and training is provided, if necessary, prior to the change implementation. The auditors reviewed a management of change example for the restart of the precipitation circuit during the recertification period to verify compliance.

Lone Tree solicits input from employees on safety issues during safety meetings and refresher training. Lone Tree also solicits input through their continuous improvement program and job hazard analyses. The auditors reviewed meeting records, examples of job hazard analyses, and a list of suggestions/concerns from the continuous improvement program to verify compliance.

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

**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 of Practice 6.2**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 6.2 requiring that the site operate and monitor cyanide facilities to protect worker health and safety and periodically evaluate the effectiveness of health and safety measures.

Lone Tree monitors and maintains the proper pH to prevent the formation of HCN as recommended in their procedures and plans. Fixed HCN monitors are installed in areas of potential exposure to cyanide (i.e., at the top of the barren tank, flume building, B-C train and E-train). In addition, operators use portable HCN meters to conduct cyanide offloading, maintenance work, and confined space activities. The fixed HCN monitors are outfitted with visible and audible alarms, in addition to being connected to the control panels in the plant control room. Two alarm levels have been established for the portable and fixed monitors: a low-level alarm at 4.7 ppm and a high-level alarm at 10 ppm. Low-level alarms require investigation and high-level alarms require evacuation. Lone Tree maintains, tests, and calibrates the pH meters, fixed HCN meters, and portable HCN meters on a regular basis as recommended by the manufacturer. The auditors reviewed calibration records to verify compliance.

Lone Tree has posted warning signs at the doors and entryways to the CIC Plant indicating that cyanide solutions may be present, eating and smoking are allowed in designated areas only, smoking is prohibited, and visual HCN alarms are yellow for investigation and red for evacuation. Also, signs includes HCN alarm limits. Confined spaces associated with cyanide facilities are clearly labelled with the requirement that a confined space permit is needed for entry. Warning signs are also posted at the leach pad and process ponds indicating that solutions may contain cyanide. Verification was by visual observation.

Showers, low-pressure eye wash stations, and dry powder fire extinguishers are located at strategic locations throughout the operation. They are maintained, inspected, and tested on a regular basis. The auditors randomly verified that showers and eyewash stations were operational with sufficient volume and adequate pressure.

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

Lone Tree has labelled tanks and pipelines at the CIC Plant with various types of labels indicating cyanide is present and arrows showing the direction of flow. Lone Tree has also marked the pregnant and barren lines with cyanide labels and flow direction arrows. Verification was by visual observation.

Lone Tree makes MSDSs in English available to all staff via the mine intranet. In addition, the auditors observed that cyanide first aid procedures are located with the cyanide antidote kit. Verification was by visual observation.

Lone Tree has implemented procedures that require all incidents to be investigated. Lone Tree staff stated that no cyanide exposure incidents occurred between 2013 and 2016. In lieu of cyanide exposure incidents, the auditors reviewed an example of a non-cyanide incident investigation to verify that procedures were implemented.

**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 of Practice 6.3**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 6.3 which requires that the site develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

Lone Tree has water, oxygen, cyanide antidote kit, AED, radio, and telephone in the areas where cyanide is present. The cyanide antidote kit includes amyl nitrite, oxygen, and AED. The auditors confirmed that the antidote kit is stored at the correct temperature and that the antidote had not expired. First aid equipment is inspected regularly. Verification was by visual examination and review of inspection records.

Lone Tree has prepared a Lone Tree Emergency Response Plan for responding to cyanide exposures. Section 6.7 of the Lone Tree Emergency Response Plan specifically addresses responses to cyanide exposures and cyanide releases.

Lone Tree has an agreement with the Battle Mountain General Hospital and has confirmed that the hospital is aware of the potential to treat patients with cyanide exposure. The auditors reviewed a letter from the Battle Mountain General Hospital, sent to Lone Tree on September 11, 2014, certifying that the hospital is prepared and qualified to treat emergency patients from Lone Tree who may be exposed to/or poisoned by cyanide. Lone Tree tested the response of the hospital and the Lander County ambulance during the

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093







## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

September 30, 2014 mock drill. This drill involved the evacuation of the cyanide truck driver to the hospital. The auditors reviewed the letter sent by the hospital, as well as the mock drill report to verify compliance.

Lone Tree has its own onsite capability (equipment and trained staff) to provide first aid to workers exposed to cyanide. Lone Tree maintains one emergency response vehicle at the admin building and one cyanide antidote kit, including oxygen and an AED, at the lab building. In addition, Lone Tree has an emergency response team, trained in medical first aid for cyanide, firefighting and Hazmat. Lone Tree conducted two cyanide exposure and release mock drills during the recertification period to test emergency procedures. The auditors reviewed training certificates, training records, the rotation schedule for the emergency responders, and mock drill reports to verify compliance.

Lone Tree Mine  
Name of Facility

January 2017  
Project No. 1651093

\_\_\_\_\_  
Signature of Lead Auditor

January 20, 2017  
Date





PRINCIPLE 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.

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 7.1

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 7.1 which requires that the site prepare detailed emergency response plans for potential cyanide releases.

Lone Tree has developed plans and procedures that address emergency response to releases of cyanide. Lone Tree plans contain procedures for potential scenarios such as: 1) cyanide exposure; 2) accidents during cyanide transportation; 3) releases during unloading; 4) release of cyanide during fires and explosions; 5) pipe, valve or tank ruptures; 6) overtopping of ponds; 7) electrical power outages and pump failures; 8) uncontrolled seepage; 9) cyanide spill control and cleanup; and 10) decontamination and emergency evacuation. The procedures address specific response actions for clearing site personnel from the area of exposure; use of cyanide antidotes and first aid measures for cyanide exposure; decontamination procedures; control of releases at their source and containment; as well as the assessment, mitigation and future prevention of releases. There are no communities near the Lone Tree Mine, and therefore the plan does not address clearing potentially affected communities. Verification was by review of these documents and interview with safety and process personnel.

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

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 7.2

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 7.2 which requires that the site involve site personnel and stakeholders in the planning process.

Lone Tree staff are involved in cyanide emergency response planning via safety meetings, training sessions and mock drills. There are no communities adjacent to the mine or offsite stakeholders with a role in response to onsite cyanide emergencies, but Lone Tree has made the nearest community (i.e., Battle

Lone Tree Mine
Name of Facility

[Handwritten Signature]

January 20, 2017
Date

Signature of Lead Auditor





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

Mountain) as well as offsite stakeholders aware of the nature of risks from accidental cyanide releases via Lone Tree staff involvement in the Lander County LEPC. Lone Tree emergency response staff are members of the Lander County LEPC that meets regularly in Battle Mountain. Other members of this committee include representatives from the Battle Mountain General Hospital, Battle Mountain Fire Department, Lander County Sheriff, Lander County Ambulance and other local agencies. During these meetings emergency response procedures are discussed. In addition, Newmont Hazmat team participated in a cyanide-related fire mock drill organized by the Lander County LEPC in November 2015 that also included the participation of Bureau of Land Management, Battle Mountain Fire Department, the Battle Mountain Ambulance, the Lander County Sherriff and others. The auditors reviewed examples of LEPC meeting minutes from 2014 to 2016, a copy of the agreement with Lander County and records of the November 2015 mock drill to verify compliance.

Lone Tree has not designated a role for offsite responders in planning or response to cyanide emergencies except for the Battle Mountain General Hospital. Lone Tree has an agreement with the Battle Mountain General Hospital that has confirmed that the hospital is aware of the potential to treat patients with cyanide exposure. The auditors reviewed a letter from the Battle Mountain General Hospital, sent to Lone Tree in 2014, certifying that the hospital is prepared and qualified to treat emergency patients from Lone Tree who may be exposed to/or poisoned by cyanide. Lone Tree has tested the response of the hospital during the September 2014 cyanide drill that involved the evacuation of a cyanide exposed worker to the hospital. The auditors reviewed the mock drill report to verify compliance.

Lone Tree has also made the local business leaders and general public of the local community aware of potential risks related to cyanide via community breakfasts and meetings, newsletters, Newmont Facebook page and tours to the mine.

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

in full compliance with

The operation is

in substantial compliance with

**Standard of Practice 7.3**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 7.3 which requires that the site designate appropriate personnel and commit necessary equipment and resources for emergency response.

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093



## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

Lone Tree has committed in their emergency response plans and procedures the necessary emergency response equipment and first aid to manage cyanide incidents at the operation and to coordinate transportation to the local hospital for further treatment if necessary.

The Lone Tree Emergency Response Plan describes the roles and responsibilities for the emergency response coordinators (including the primary and alternate coordinators) and the emergency response team. Lone Tree has identified its emergency response team and emergency coordinators, and has an updated list of them including their name and contact information in the 2016 Mine Rescue Schedule. The inspection forms for the emergency response equipment detail the specific items at each location, including the emergency response vehicle, the admin building, the Lone Tree Lab and the plant. All emergency vehicles, equipment, and supplies are inspected monthly. The auditors reviewed completed monthly response equipment inspection forms for the recertification period to verify compliance.

Lone Tree has confirmed that the hospital is aware of its involvement and is included as a necessary in mock drills. Lone Tree has an agreement with the Battle Mountain General Hospital that has confirmed that the hospital is aware of the potential to treat patients with cyanide exposure. The auditors reviewed a letter from the Battle Mountain General Hospital, sent to Lone Tree on September 11, 2014, certifying that the hospital is prepared and qualified to treat emergency patients from Lone Tree who may be exposed to/or poisoned by cyanide. The response of the ambulance was tested on the September 2014 and September 2015 mock drills. The auditors reviewed a copy of the agreement with the hospital and the Lone Tree Cyanide Drill After – Action Reports, as well as interviewed the emergency response coordinator, to verify compliance.

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

in full compliance with

**The operation is**

in substantial compliance with

**Standard of Practice 7.4**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 7.4 which requires that the site develop procedures for internal and external emergency notification and reporting.

The emergency response and operating plans (including the Lone Tree Emergency Response Plan, the Lone Tree Mine Operating Plan, and the Newmont Rapid Response Manual Communication Guidelines) detail the procedures for internal and external emergency notification and reporting. These documents include current contact telephone numbers for internal entities (i.e., Lone Tree management and emergency

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

response coordinators) and external entities (i.e., Cyanco emergency response service, local hospitals, Lander County ambulance, government and regulatory agencies, communities, media and other local entities).

**Standard of Practice 7.5: Incorporate in 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 of Practice 7.5**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 7.5 which requires that the site incorporate in response plans and remediation measures monitoring elements that account for the additional hazards of using cyanide treatment chemicals.

Lone Tree has written procedures to contain, recover and clean up liquid cyanide spills. These procedures are described in the Lone Tree Mine Operating Plan. Procedures require that engineered containment structures such as berms or dikes or other immediate measures will be taken to stop the release until the equipment and personnel can be mobilized to clean up the release. Soil, sand, or other absorbent material will be used to absorb the spill. Cyanide releases will be disposed of on the heap leach pad or returned to the leaching circuit, depending upon the physical nature of the release. Spilled cyanide solution within the process facilities will be returned to the leaching circuit or to the recovery process circuit from the floor sumps.

The Lone Tree Mine Operating Plan requires the monitoring of the affected area after cleanup. The Remediation of Cyanide Contaminated Soils Procedure details how to accomplish this monitoring, including how to collect representative samples; sampling equipment; measures to prevent cross-contamination; sampling patterns (e.g., grid, perimeter); location documentation; sample handling and shipping; and required laboratory analysis. This procedure also prohibits the use of hypochlorite, ferrous sulphate or hydrogen peroxide solutions when spills have reached flowing water. The Lone Tree Emergency Response Plan and the Remediation of Cyanide Contaminated Soils Procedure describe what final cyanide concentration will be allowed in residual soil as evidence that the release has been completely cleaned up. The Lone Tree Mine Operating Plan describes specific procedures for monitoring if WAD cyanide is detected groundwater.

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093



## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

The water supply well at Lone Tree is located in the north corner of the pit. This well is located cross-gradient, not downgradient, from the cyanide facilities. Provision of bottled water will be considered in the unlikely case of an emergency.

**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 of Practice 7.6**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 7.6, which requires that the site periodically evaluate response procedures and capabilities and revise them as needed.

Lone Tree reviews its cyanide emergency response plans on a regular basis, as well as following mock drills and actual incidents. Lone Tree conducts mock emergency drills based on likely cyanide release/exposure scenarios to test the response procedures, and incorporates lessons learned from the drills into its response planning. Two mock drills were conducted during the recertification period. The auditors reviewed documentation for the cyanide-related mock drills in 2014 and 2015, as well as the Lone Tree Emergency Response Procedure, in order to verify compliance. None of the corrective actions identified in the 2014 and 2015 mock drills were related to revisions to the Emergency Response Plan. However, the auditors confirmed, by reviewing the plan and interviewing the Emergency Response Coordinator, that these provisions exist and that they would be implemented after a cyanide emergency requiring plan implementation.

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093



PRINCIPLE 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.

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 8.1

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 8.1 which requires that the site train workers to understand the hazards associated with cyanide use.

Lone Tree provides initial training and annual refresher training to all employees and contractors with the potential to be exposed to cyanide on topics such as cyanide hazard recognition, cyanide first aid treatment, and spill response. The training is provided as part of the Mine Safety and Health Administration New Hire Training and via a Cyanide Code specific process training (the process access training module). Lone Tree retains all cyanide training records including test results demonstrating an understanding of the training. Verification was by interview with process and training personnel, random interviews with operators, and review of employee training materials and records from the recertification period.

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.

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 8.2

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 8.2 which requires that the site train appropriate personnel to operate the facility according to systems and procedures that protect human health, the community and the environment.

Lone Tree trains its staff to perform their normal production tasks, including cyanide unloading, production, and maintenance, with minimum risk to worker health and safety and in a manner that prevents unplanned cyanide releases and exposures. The task training is organized by process circuits and levels. Training topics related to cyanide exposures and releases are included as part of this training, but also as part of the annual Cyanide Code refresher training. This training includes the use of cyanide, cyanide detection,

Lone Tree Mine
Name of Facility

[Handwritten Signature]

January 20, 2017
Date

Signature of Lead Auditor

January 2017
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

HCN exposure levels, response to HCN alarms, leach pad construction, groundwater monitoring wells, cyanide spill cleanup, liquid sodium cyanide, delivered pH, cyanide first aid, cyanide antidote, decontamination, response plan procedures, and others.

Training is provided by qualified personnel. For example, the task training for the process circuits is provided by a supervisor or previously qualified operator. The shift supervisor and training coordinator approve the Operation Technician System Criteria form when all training for a particular circuit or level is complete. Lone Tree confirms the effectiveness of cyanide training by both testing and observation.

Lone Tree requires that all staff working with cyanide be trained in cyanide hazard recognition as part of their New Hire Training prior to working with cyanide. Lone Tree also requires that staff assigned to the process areas complete, and obtain approval of, task training before they are allowed to perform a task without supervision. Training records and interviews confirmed that Lone Tree adhered to these practices.

Lone Tree ensures that staff continuously perform their cyanide-related activities safely by providing refresher training as part of annual refreshers. Cyanide-related topics area also discussed during safety meetings at the process areas.

Lone Tree retains records for initial, task, and annual refresher training throughout an individual's employment. 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. Verification was through interview with training personnel and review of training records.

**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 of Practice 8.3**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 8.3 which requires that the site train appropriate workers and personnel to respond to exposures and environmental releases of cyanide

Personnel responsible for cyanide unloading, processing and maintenance are trained in procedures to be followed if cyanide is released, as well as in decontamination and first aid procedures. This training is provided as part of the annual Cyanide Code refresher training and the annual environmental refresher training. Training covers spill and release definition, release response, cyanide spill cleanup, required PPE,

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093







## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

release communication and reporting, and spilled material disposal. Verification included review of training materials and refresher training records, as well as interviews with environmental and training personnel.

Lone Tree emergency coordinators and the emergency response team are trained in the procedures described in the Lone Tree Emergency Response Plan. In addition, the emergency response team has received specialized training in first aid related to cyanide, firefighting, hazardous material emergencies, advanced first aid, vehicle and equipment rescue, rope rescue, incidents command, and confined space rescue. This training included the use of emergency response equipment.

Lone Tree has made offsite medical providers familiar with those elements of the Emergency Response Plan related to cyanide. Lone Tree has not designated a role for offsite responders in planning or response to cyanide emergencies except for the Battle Mountain General Hospital. Lone Tree has an agreement with the Battle Mountain General Hospital that confirmed that the hospital is aware of the potential to treat patients with cyanide exposure. The auditors reviewed a letter from the Battle Mountain General Hospital, sent to Lone Tree on September 11, 2014, certifying that the hospital is prepared and qualified to treat emergency patients from Lone Tree who may be exposed to/or poisoned by cyanide. The response of the ambulance was tested during mock drills.

Lone Tree conducted two cyanide-related mock drills during the recertification period. The 2014 mock drill involved cyanide exposure and liquid release during cyanide offloading. The 2015 drill also involved cyanide exposure and HCN gas release. The Lander County ambulance and Battle Mountain General hospital participated in these drills. Lone Tree evaluated these drills from a training perspective to determine if personnel have knowledge and skills required for effective response. The auditors reviewed records showing that additional training with portable HCN meters was completed as a result of the second mock drill.

Training records were retained and included 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. Verification was through interview with training personnel and review of training records.

Lone Tree Mine  
Name of Facility

January 2017  
Project No. 1651093

Signature of Lead Auditor

January 20, 2017  
Date





PRINCIPLE 9 – DIALOGUE

Engage in Public Consultation and Disclosure

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

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 9.1

[ ] not in compliance with

Summarise the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 9.1 which requires that the site provide stakeholders the opportunity to communicate issues of concern.

Lone Tree provided electronic and face-to-face opportunities throughout the recertification period to communicate issues of concern regarding the management of cyanide. Stakeholders and the public may contact Lone Tree via phone numbers and e-mail addresses as advertised on the Newmont website, in local newspapers, and at the visitor centers in Battle Mountain and Winnemucca. Lone Tree hosted community breakfasts, mine tours, and meetings with the Battle Mountain Band of the Shoshone Tribe throughout the recertification period. Lone Tree staff participated in various local committees, such as Local Emergency Planning Committee, thus allowing opportunities for stakeholder input. Lone Tree maintained an issues register to ensure stakeholder and public concerns were tracked and received responses.

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

[X] in full compliance with

The operation is

[ ] in substantial compliance with

Standard of Practice 9.2

[ ] not in compliance with

Summarize the basis for this finding/deficiencies identified:

The operation is in full compliance with Standard of Practice 9.2 which requires that the site initiate dialogue describing cyanide management procedures and actively address identified concerns

Lone Tree provided opportunities throughout the recertification period to interact with stakeholders and respond to concerns. Lone Tree hosted community breakfasts, mine tours, and meetings with the Battle Mountain Band of the Shoshone Tribe. Lone Tree staff participated on various local committees, such as Local Emergency Planning Committee, thus allowing opportunities for stakeholder input. Lone Tree maintained an issues register to ensure stakeholder and public concerns were tracked and received responses.

Lone Tree Mine
Name of Facility

[Handwritten Signature]

January 20, 2017
Date

Signature of Lead Auditor

January 2017
Project No. 1651093





## ICMC RECERTIFICATION SUMMARY AUDIT REPORT

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

in full compliance with

**The operation is**

in substantial compliance with

**Standard of Practice 9.3**

not in compliance with

**Summarize the basis for this finding/deficiencies identified:**

The operation is in full compliance with Standard of Practice 9.3 which requires that the site make appropriate operational and environmental information regarding cyanide available to stakeholders.

Lone Tree has developed handouts, presentations, and videos that have been distributed to the public and stakeholders via meetings, tours, community breakfasts, and the Newmont’s website. In addition, a fact sheet associated with the Water Pollution Control Permit was available from the Nevada Department of Environmental Protection. The majority of the local population is literate; nonetheless, Lone Tree distributed a video on “How Gold Is Produced” that provided Information on the use of the cyanide in gold recovery, visually and orally. Information was also presented orally during tours and meetings with the Battle Mountain Band of the Shoshone Tribe. Lone Tree made information publicly available regarding releases and exposures via the Newmont website “Beyond the Mine”. This website reported no cyanide-related releases or exposures for 2013 to 2015. Spills and releases were also reported as part of annual monitoring reports for the Water Pollution Control Permit. Based on these reports from 2013 to 2016, no cyanide-related releases occurred during the recertification period.

Lone Tree Mine  
Name of Facility

Signature of Lead Auditor

January 20, 2017  
Date

January 2017  
Project No. 1651093





## Report Signature Page

**GOLDER ASSOCIATES INC.**

Kent R. Johnejack, PE, CEA  
Lead Auditor and Mining Technical Specialist

Ivon Aguinaga  
Mining Technical Specialist

Date: January 20, 2017

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Africa	+ 27 11 254 4800
Asia	+ 852 2562 3658
Australasia	+ 61 3 8862 3500
Europe	+ 356 21 42 30 20
North America	+ 1 800 275 3281
South America	+ 56 2 2616 2000

[solutions@golder.com](mailto:solutions@golder.com)

[www.golder.com](http://www.golder.com)

**Golder Associates Inc.**  
**4730 N. Oracle, Suite 210**  
**Tucson, AZ 85705**  
**Tel: (520) 888-8818**  
**Fax: (520) 888-8817**



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