

CORRECTIVE ACTION PLAN

PT.Nusa Halmahera Minerals - Gosowong Cyanide Supply Chain

INTRODUCTION

The development and implementation of a Corrective Action Plan is required as an integral part of an audit for Cyanide Code certification of a mining operation, where the auditor, based on the audit findings, determines that the operation is in substantial compliance and is certified conditionally, or is in non-compliance and cannot be certified.

The full implementation of the Corrective Action Plan and adequate notification to the Institute must be **completed within one year** of a Cyanide Code Certification Audit that finds an operation in substantial compliance with a Standard of Practice. The maximum allowable one-year period begins with the posting of ICMI's conditional certification of the operation.

There is no time limit for implementation of a Corrective Action Plan developed to correct a finding of non-compliance.

A Corrective Action Plan must be submitted to ICMI with any Summary Audit Report with a finding of substantial compliance or non-compliance with one or more Standards of Practice, Production Practices or Transport Practices.

The section below details the corrective actions, agreed by the Gosowong Gold Mine and the Lead Auditor, necessary to bring the Gosowong Gold Mine from Substantial or Non-compliance to Full compliance, as indicated in the Summary and Detailed Audit Reports, following the ICMI compliance audit undertaken between 27 and 29th October 2019.

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Standard of Practice 3.5

Periodically evaluate response procedures and capabilities and revise them as needed

Deficiency

There is a requirement to conduct mock drill exercises annually in the Cyanide Emergency Response Plan. Several were conducted, then reviewed and recorded achievements and areas for improvement (although it was noted that some exercise record forms were not fully completed). There have also been additional exercises. However, some critical and credible emergency exercises, such as fire impacting on cyanide facilities and cyanide spills on route from the Port to Site have not been undertaken during the certification period. The Cyanide Emergency Response Plan (Section 3.2) requires a liquid cyanide spill exercise during 2016, a cyanide truck incident during 2016 and a fire incident mock exercise during 2016 and 2018. Although there has been substantial improvement in mock exercises during the certification period, these scenarios have not been addressed, although it is recognised that several exercises undertaken during the certification period and supporting training have direct relevance to all exercises listed in the Cyanide Emergency Response Plan.

Corrective Actions

Critical and credible emergency exercises, such as fire impacting on cyanide facilities and cyanide spills on route from the Port to Site (involving the public) had not been undertaken during the certification period under review. **The critical exercise related to an off-site spill event has since been completed (Dec 2018)**. This additional area for improvement is readily correctible and does not present an immediate risk to employees, the community or the environment.

Evidence for Auditors/Compliance Date 30th June 2019

Undertake additional mock emergency response exercises in compliance with the Cyanide Emergency Response Plan and provide reports and de-brief minutes on these mock exercises.

Signed:

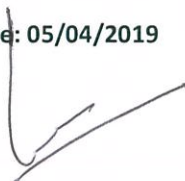


Phil Ashton

Lead Auditor

Ashton Safety Health & Environment

Date: 05/04/2019



Reffy Herviandi

Act. Manager, Supply Chain

PT Nusa Halmahera Minerals

Date: 05/04/2019