

**SUMMARY AUDIT REPORT  
FOR GOLD MINING OPERATIONS**



**ICMI INITIAL CERTIFICATION AUDIT  
GOLD MINING OPERATION  
SUMMARY AUDIT REPORT  
PANTERRA GOLD  
LIMITED, AUSTRALIA  
EnviroGold (Las Lagunas) Limited  
LAS LAGUNAS, MUNICIPIO COTUI  
PROVINCIA DE SÁNCHEZ RAMÍREZ  
DOMINICAN REPUBLIC**

**Submitted to:  
International Cyanide Management Institute (ICMI)  
1400 I Street, NW – Suite 550  
Washington, DC 20005, USA**



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EnviroGold (Las Lagunas) Limited  
Name of Mine

  
Lead Auditor

November 2<sup>nd</sup>-5<sup>th</sup>, 2015 v.5  
Date

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**A- GENERAL SUMMARY**

**A.1 Definitions and acronyms**

*Las Lagunas Tailing Dam or Tailing Storage Facility (TSF) or (90-DAM-01) for Designs designation* – Large valley dam constructed in 1992 into which the refractory tailings from the former Pueblo Viejo mine were deposited. Deposition into the TSF ceased in 1999 due to the closure of the Pueblo Viejo mine when the facility still had +3 million m<sup>3</sup> capacity remaining. The TSF has a small catchment area for rainfall runoff (less than 100Ha) so is not threatened by accidental release even in large rainfall events. The Company has two large dredges within the TSF that send the refractory tailings to the Las Lagunas process plant, where the sulphides are oxidised, Au/Ag recovered, and the resulting CIL tailings subjected to cyanide detoxification, then redeposited into new tailings cells constructed within the original TSF.

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**Environmental Pond (EP)** – Lined holding pond with a capacity of 14,678m<sup>3</sup> to which plant runoff, concentrate thickener over flow runoff and any potential CIL circuit spillage is directed. The Environmental Pond water is return to the plant for process water or can be pumped directly to the TSF. No direct flow of CIL tailings go to the Environmental Pond.

**Polishing Pond (PP)** – Established by the former government owned mine operator in 1992 to collect rainfall runoff from downstream of the Las Lagunas Tailings Dam. The PP capacity exceeds 300,000m<sup>3</sup> and is closed to the outside environment, but the Company has permissions from the government of the Dominican Republic to discharge clean water if it needs to in the wet season due to rainfall runoff. The PP contains clean, fresh water and is used as a source of raw water for the plant site. The operation takes regular samples of the water and the PP is subject to 6 monthly reporting to the Dominican State. Water quality is further improved through a Company installed aeration system with strict control of oxygen concentration in the water in order to mimic biodiversity. The lagoon has ducks, and several bird species arrive from time to time.

### A.2 Information of the Audited Operation

Name of Mine: Las Lagunas Mine

Name of Mine Owner: EnviroGold (Las Lagunas) Limited

Name of Mine Operator: EnviroGold (Las Lagunas) Limited

Name of Responsible Manager: **James Tyers**

Address Office: **PanTerra Gold Limited | PO Box 846| BOWRAL,**

State/Province: Country: **NEW SOUTH WALES, AUSTRALIA 2576**

Telephone: **+61 2 4861 1740**

E-Mail: [JamesTyers@panterragold.com](mailto:JamesTyers@panterragold.com)>

### (CERTIFICATION AUDIT)

#### Mine location and description of operation:

EnviroGold (Las Lagunas) Limited is incorporated in Vanuatu, and registered as a foreign business in the Dominican Republic. It is a 100% subsidiary of the Australian Securities Exchange listed PanTerra Gold Limited (ASX: PGI).

The Company's first project is the Las Lagunas gold and silver tailings retreatment project in the Dominican Republic which commenced production in June 2012.

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The Las lagunas tailing project is focussed on the removal of refractory Sulfide tailings confined in the Las Lagunas Tailing Storage Facility (TSF), as environmental liabilities of past mining processes. It is also focussed on processing those tails for gold and silver extraction using Albion processing technology, and the subsequent controlled availability of oxidized tailings with neutral pH levels.

Using dredges the refractory tailings are extracted following a controlled mining scheme per sector. The material extracted is pumped through pipelines and directly sent a thickener to obtain a pulp with a density of 40% solids and 60% water. The resulting pulp is sent to the Albion process plant through special high density HDPE pipes.

### Geology

Volcanic sedimentary rocks forming predominantly an island arc can be found in the surrounding areas of the project; also, metamorphism in areas that are in contact with intrusive bodies, gray limestone and river terrace deposits.

### Regional Geology:

The regional geology is defined by Los Ranchos, Hatillos Limestone and Las Lagunas geological formations.

Los Ranchos geological formation is composed of metavolcanic rocks with low metamorphic grade, from Lower to Middle Cretaceous according to Bowin (1966). This formation is 100 km long, and its outcrops start from the westside of the City of Cotui.

Los Ranchos Formation is part of the Caribbean island arc foundation, thus, is also part of the oldest rocks of the Greater Antilles and has been correlated with the formation of the Virgin Islands' Water Islan. Los Ranchos Formation is composed by volcanic andesitic and dacitic bimodal type of rocks and their derivatives of volcanoclastic and epiclastic type.

Los Ranchos hosts the gold, silver, and zinc deposits of Pueblo Viejo. These deposits are linked to a series of domes where more than 40 million ounces of gold, 240 million ounces of silver, 3 million metric tons of zinc and 4 million tons of copper were deposited.

Hatillo Limestone: Los Ranchos formation is covered by an erosional unconformity, the Hatillo limestone formation, according to Bowin (1966). He determined the age of this geological unit based on the collected foraminifera, which is probably from Aptian-Albian time. This limestone has a transgressive sequence in its base that is not always complete.

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The base has a conglomerate of variable thickness but no more than 10 m, with abundant silica fragments (amorphous gel) reaching 50% in a matrix of fine grains.

Fine-grained sandstones can be found over the conglomerate. This sandstone is formed by a group of anastomosing fractures containing iron oxide and silica which seem to coincide with paleosoil characteristics. Silt and calcareous sandstones over Hatillo limestones can be found over the conglomerates and areas with concretions, this does not exceed 30 m.

It is very common to find this type of limestone throughout The Caribbean and The Hispaniola Cordillera Central this time of the year. The development of this limestone is the result of the end of a general event, in the primitive island arch of the Greater Antilles.

Hatillo Limestone is part of the thrust in the Hatillo Fault. This Fault is a main structure of the region and has been linked to a subduction zone. Bowin (1975) and Draper et. Al. (1996) proposed that the regional thrust fault resulted from the obduction of the Early Cretaceous oceanic crust. The movements of dikes of Pueblo Viejo District Early Oligocene support the reactivation of the Early Oligocene overthrusting faults.

Las Lagunas Formation: Over Hatillo limestone, the Las Lagunas Formation appears as a band of epiclastic tuffs, dark gray siltstone and limestone. The base of this Formation has old lutites with radiolarians from the Albian-Cenomanio time which are also part of the base of the Upper Cretaceous.

### Local Geology:

Pueblo Viejo District geology has been studied and researched extensively. The research has been supported by drilling evaluation of the deposits and exploration of the resulting outcrops of mineral resources in Moore, Monte Negro, Cumba Mejita and Bank 5 deposits.

The most extensive and detailed geology studies of Pueblo Viejo District have been carried out by Russel & Kesler (1991) and Carl Nelson (1998). Russel & Kesler propose a Maar diatreme model, where a crater about 3 Km was filled with carbonaceous sediments and conglomerates on its flanks, with hydrothermal solutions rising through its rim, thus, forming Pueblo Viejo deposits, as an acid sulphate type epithermal deposit.

Pueblo Viejo is described by Sillitoe et al. (1996) as a subaqueous massive sulfides volcanogenic shallow deposit. He proposed the term "intense sulfurization" (instead of acid sulfate). This mineralization model fits the one proposed by Carl Nelson (1998), which describes that mineralization occurs in a field of volcanic domes. Each volcanic center

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developed its own distinctive volcanic stratigraphy, overlapping and inter layered with sedimentary epiclastic rocks resulting from the adjacent volcanic groups.

The andesitic domes and breccia mantle deposits are stratified with pyroclastic and carbonaceous sediments. This change in interpretation suggests that all exploration efforts in Los Ranchos formation must be focused on the fields of volcanic domes.

Andesitic and dacitic domes have been identified in Pueblo Viejo, where the hydrovolcanic activity, location of the domes, the epiclastic sedimentation, the hydrothermal alteration and gold mineralization coincide in time and place.

### *Process Plant Design*

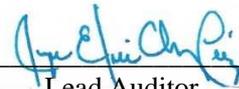
Las Lagunas Project production facilities are designed and built to comply with engineering specifications required by the Cyanide Code. All tanks and pipes are made of steel, HDPE and materials compatible with cyanide solution. Those containers and pipes are labeled to meet the necessary requirements of the Code.

The process plant sections for the cyanide solution (solid or solution) are located in secondary concrete containment areas. These areas have enough capacity to contain a minimum of 110% of the largest tank within the containment and any pipe draining into this area. Sumps within the containment areas are equipped with special suction pumps to return any released solution to the processing circuit.

Float switches are placed at key locations within the secondary containment areas to detect the presence of cyanide solution and alert operators in the process control room. Process pumps are connected to automatically close, thus, preventing any potential release of solution if by any chance a pump down the circuit fails. In case of power failure backup power for critical pumps, motors and control systems is available.

Preventive maintenance programs are implemented and the activities are documented in order to ensure a regular and continuous operation of the necessary equipment and devices used for cyanide management. Regular maintenance is provided to the destruction / regeneration pumps in order to prevent failures that could result in workers exposure or releases to the environment.

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The rates of addition of cyanide is controlled to minimize the amount of cyanide used, thus, minimizing the amount of cyanide in the tailings stream. EnviroGold uses conventional cyanide bottle roll tests to determine the ideal rates of addition of cyanide. During operations, The Company will also take into account changes in ore characteristics using a system to monitor the use of cyanide in the leaching process and to adjust the corresponding cyanide addition rates.

The designed objective to include this type of system is to maximize efficiency of the leaching process and reduce the potential overuse of cyanide. This measure will reduce the general requirements of cyanide, minimize the amount of cyanide transported to the site and used in the operation, and reduce the overall risk to human health and the environment.

### *Cyanide Detoxification Facility*

Las Lagunas treatment facility for SO<sub>2</sub> / air tailings (detoxification) is located within the process plant and has been designed and built to meet the requirements of the Cyanide Code. Cyanide in the tailing stream is directed to a process for cyanide Air-SO<sub>2</sub> detoxification to destroy any residual cyanide (<2 ppm WAD cyanide). The resulting product is then mixed with flotation tailings in the thickener before pumping the TSF, resulting in a product with <1 ppm WAD cyanide. The tails water runoff is then further diluted by the large clean water volume in the TSF dredge pond.

The Cyanide Code, IFC and MIMARENA (Dominican Republic Environmental Minister) require the WAD cyanide to be discharged to surface water be <0.5 ppm. However, it is worth to point out that a concentration of 50 mg/l WAD cyanide or lower in solution is typically considered protective to most wildlife and livestock mortality but not to aquatic organisms.

Las Lagunas Mine site was originally affected during the construction of the dam in 1992, however, as a consequence of EnviroGold's special care of the environment migrating ducks from Miami, Florida, USA, local poultry ducks, herons, other birds and species, migrate to Las Lagunas and the preserved water sources of The Magnetite Old Pit and The Clean Water Dam (Polishing Pond).

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**A.3 Overall Auditor's Finding**

This operation is

- In full compliance
- in substantial compliance
- not in compliance

with the International Cyanide Management Code.



Audit Company: Geosoluciones Panamá  
Technical & Leader Auditor: Jorge Efrén Chong Pérez  
Email: [geosoluciones@cwpanama.net](mailto:geosoluciones@cwpanama.net)

Dates of Audit: November 2<sup>nd</sup> -5<sup>th</sup>, 2015

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

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

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**B- ROLE AS CYANIDE MINING OPERATION**

***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.*

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 1.1
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold meets the requirements because it has a business agreement with CYANCO a company that manufactures certified cyanide. Web address:

<http://www.cyanidecode.org/signatory-company/cyanco>

EnviroGold uses CYANCO as a cyanide manufacturing company with offices in the USA and Canada for the supply of solid cyanide. Cyanco is a signatory of the Cyanide Code, indicated in the electronic link:

<http://www.cyanidecode.org/signatory-company/cyanco>

EnviroGold buys directly to CYANCO.

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***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.*

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 2.1
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold has written agreements with the cyanide manufacturer and transporters. The agreements state the responsibilities in fulfilling the requirements of the Code: internal audits and transport processes logs are performed and documented.

EnviroGold states in the operation agreement contract with transporter that the packaging criteria are considered. The transporter is an ICMI certified company.

The cargo arrives at the port of Caucedo owned by DP world which is one of the largest port owners in the world. The cargo is then unloaded and transported directly from the port to the mine. C Logistics Solutions, SRL, is the certified company assigned for transport performed a route evaluation.

The cargo arrives at the port of Caucedo, and then it is transported by chain of custody, and shipper/carrier waybills until EnviroGold.

The cargo is transported from the Caucedo Port in Santo Domingo to EnviroGold cyanide storage unit. Then C Logistic Solutions, SRL an ICMI certified transport company, delivers the cargo directly to the mine without the need of any other interim storage.

C Logistic Solutions, SRL a transport company certified by the Cyanide Code, is in charge of making the entire land transportation of the cargo.

The unload of cyanide in the mine, is done by EnviroGold, using suitable lifting equipment.

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During the cyanide unloading process EnviroGold uses a Telehandler as lifting equipment. There are supporting documents of equipment inspection, also, updated equipment operators' certifications. The driver was interviewed and showed knowledge of the process to safely operate the equipment.

C Logistic Solutions, SRL has been audited and certified in 2014; it has a safety program and also a preventive and corrective maintenance plan.

All drivers have been trained for hazardous materials handling. The convoy supervisors and all personnel involved are trained to provide emergency response in case of hazardous material spill and intoxication, carry out trainings together with C Logistic Solutions SRL.

Cyanide is monitored and escorted at all times and J2 staff police is accompanying the road transport following the national requirement of the Dominican Republic.

EnviroGold subcontracted an ICMI certified transportation company that has implemented a plan to address emergency response during transportation.

EnviroGold uses a transporter who is certified by the Code, which states that its operating agreement must be certified by ICMI.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 2.2
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold has the operation contract arrangement with the ICMI certified transporter, C Logistics Solutions, SRL, between Puerto Caucedo and the mine that implemented emergency response measures and cyanide management.

<http://www.cyanidecode.org/signatory-company-categories/c-logistics-solutions-srl-dominican-republic>

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CYANCO, an ICMI certified producer, having done its due diligence is shipping from Houston the port of Caucedo using Mediterranean Shipping Co. (MSC).

<http://www.cyanidecode.org/sites/default/files/pdf/CyancoGlobalOceanSAR2014.pdf>

From the Product manufactured CYANCO, an ICMI certified cyanide manufacturer in the industrial park of the Chocolate Bayou Plant of Ascend Performance Materials at Alvin/Texas, at this location is shipped domestically by truck, rail, and barge, and internationally via rail and ocean carrier. Ocean shipments shipped through the Port of Houston are within the scope of this Global Supply Chain.

Web address:

<http://www.cyanidecode.org/sites/default/files/pdf/CyancoGlobalOceanSAR2014.pdf>

Action Resources as part of this Global Ocean Supply Chain transport solid sodium cyanide to interim storage in Houston and then to the Port of Houston.

According to the ICMI web-site, Quality Carriers recertified in February 2014, is the second focal point is the round-trip transportation of solid sodium cyanide between dedicated production plants (certified to the ICMC standards by the ICMI) and the Manchester port terminal in Houston/Texas

Web address:

<http://www.cyanidecode.org/sites/default/files/pdf/QualityCarriersSAR2014.pdf>

According to the ICMI web-site, Cyanco has developed formal manuals, procedures, and practices that ensure that all ICMI International Cyanide Management Code requirements are fulfilled. Due Diligence reviews are performed at all Ports and for all ocean carriers that are used to transport sodium cyanide to gold mines.

EnviroGold has the operation contract arrangement with the ICMI certified transporter, C Logistics Solutions, SRL, between Port of Caucedo and the mine.

<http://www.cyanidecode.org/signatory-company-categories/c-logistics-solutions-srl-dominican-republic>

The Port of Caucedo is included in Cyanco's Global Ocean Supply Chain that transports cyanide from the Cyanco production plant to the mine site.

<http://cyanidecode.org/signatory-company/cyanco-corporation>

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EnviroGold trip reports documents include shipper and carrier waybills, certificate of delivery and the delivery note of the product to the mine, the transport and escort units checklist, training records, alcohol testing and pictures illustrating the before / after delivery condition of the container.

***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.*

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 3.1
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold has the building design specifications for cyanide warehouse, which includes roof, fences, doors, ventilation, drainage, floor, security means, surface, room capacity cyanide storage and mixing system.

The Unloading and storage areas for solid cyanide are located away from surface water.

- An adequate drainage system was installed in the warehouse. There are no offices, workspaces or water bodies nearby, neither incompatible substances stored inside the warehouse.
- EnviroGold has an emergency response procedures EVGL-LL-HSE-MAN-002 “Manual de Emergencias” for assessment, response and sanitation of to the storage area.

EnviroGold does not use liquid cyanide. Also not allows the discharge of solid cyanide when it is raining.

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The warehouse has the proper materials and means to handle, collect and neutralize spills in order to protect the quality of surface and groundwater.

EnviroGold has automatic devices to prevent mixture tank overflow. Those devices work by shutting down the pumps in case of an emergency. The control room has complete supervision of the tanks levels.

If the cyanide mixing storage tank, 70-TNK-21, shows a low level alarm, LALL-7023, the cyanide dosing pump, 70-PMP-21 stops.

The cyanide mixing tank has a concentration of 20%.

EnviroGold has a concrete-built secondary containment located under the cyanide storage and mixing tank. There is a written procedure which prohibits mixing or unloading containers with cyanide during the rain.

The cyanide warehouse has adequate ventilation to prevent accumulation of hydrogen cyanide gas; roof and floor are made of concrete to minimize contact with water. Have metal doors, security fence with locks and controlled keys. The warehouse stores only cyanide, apart from other materials, with concrete berms.

EnviroGold does not use liquid cyanide nor unloads tankers. The mixing and solution tanks used in this process have secondary spill containment ponds.

In addition to the secondary containment system, the whole plant is interconnected to a centralized drainage system, which would pour any solution to a Emergency Pond. The secondary containments for mixing and process tanks sized to hold a volume greater than of the largest tank and any piping draining back to the tank and a 14,678 cubic meters emergency environmental dam.

EnviroGold has an inspection, maintenance and operation procedure for the cyanide storage facility.

All metallic tanks are periodically measured by ultrasound as part of maintenance program.

Spill containment, pipes and accessories (pumps) routine inspections records were reviewed as part of a spill prevention measure. All pipes function under a spill collecting system.

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All tanks and pipelines are constructed using metal elements, materials compatible with cyanide and high pH conditions. The tanks and pipes undergo preventive inspections and wear and tear tests. Materials alternatives to be used for the exposed or wet areas of the tanks and pipelines may not include aluminum, brass, bronze, copper or zinc components.

Quality assurance and control (QA / QC) measures were implemented during the construction of the storage facilities, production, waste management or regeneration in order to minimize the risk of leakage. These measures were registered and documented, and make reference to the facilities construction.

The original design plans of the plant were approved by the Ministry of Public Works of The Dominican Republic; the documents show the construction license granted.

Several geotechnical tests were made in order to comply with the Environmental Impact Study and the original design of the plant. The plans were approved by the Ministry of Public Works of The Dominican Republic; the documents show the construction license granted.

EnviroGold keeps records of QA / AC procedures used at the cyanide facilities for the storage and mixing. The facilities undergo regular and thorough inspections, also maintenance. Documentation of the original construction is also kept.

All the project's construction documentation is kept at main office in Australia. The project manager certifies through a formal letter that the facilities were built following all the original designs.

The Quality control and quality assurance documentation was certified by Mr. James Tyers, Executive Director.

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*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.*

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 3.2
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold has a procedure for the handling and washing of containers, empty boxes or packages. EnviroGold keeps records of this procedure.

MIRSA is the company in charge of the removal of the empty containers or packages it has environmental permit number DCA 0312-04 MODIFIED. This permit granted by the Environmental Minister of The Dominican Republic allows MIRSA the operation of a storage plant facility and transshipment of industrial waste. Consignment notes, MIRSA permit and the hazardous waste management procedure were reviewed.

According to EnviroGold procedure empty containers and plastic bags are rinsed at least three times with a calcium hydroxide solution, adding the resulting rinsing water to the cyanidation process. Empty containers are crushed before transferred for final disposal. The company responsible of waste disposal has permits granted by the Dominican Republic for appropriate management.

After cyanide is poured into the mixing tank, the cyanide container is immediately washed with calcium carbonate, inside and outside.

EnviroGold does not use liquid cyanide.

EnviroGold has a procedure that begins when cyanide is transferred in its box from the storage site and ends when it gets to the mixing tank. It also includes the use of lifting equipment; this procedure is called “Preparación de Cianuro”. This procedure is redundantly mentioned in section 2 of “The Cyanide Management Guide (CMP) for Las

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Lagunas Mining Project.” The procedure describes in the empty box handling and disposal procedure the methodology to prevent breakage or puncture in the boxes. The boxes are inspected visually to verify their condition.

EVGL-LL-EHS-GDL-0004 procedure indicates “the amount (3) of boxes that can be stacked up is described”

The EVG-Y-EHS-GDL-0004 procedure requires immediate cleaning and neutralization in case of a spill, and describes the course of action of the emergency response. In case of a spill there is a sink with submersible pump that will redirect the solution to the mixing tank or CIL circuit.

During manual mixing of solid cyanide, the person use full personal protective equipment, and there is always a second person watching from a safe area.

The Cyanide Management Guide (CMP) for Las Lagunas Mining Project (“Guía Manejo de Cianuro”) EVGL-LL-EHS-GDL-0004 describes the procedures for an environmentally sound management of storage, unloading, mixing, and emergency response.

EnviroGold has developed procedures with the purpose of having a safe and environmentally sound operation. Those procedures describe in full the necessary standard practices such as inspections and preventive maintenance measures to comply with the Code.

There is an equipment inspection and maintenance and waste disposal program.

A pipelines maintenance and inspection and tailings disposal plan "- Pipeline Maintenance and Tailings Disposal.

EnviroGold has a Balance and Management Procedure for water and solutions to maintain the designed capacity of the facility. Operations department creates checklists for the inspections. If during an inspection a deficiency is detected, a work order request is sent to maintenance, and depending on the priority maintenance generates a work order to correct the problem.

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Pipelines and tailings site inspection procedure should be performed daily or as often as necessary. Other systems such as cyanide mix tanks, storage areas, valves and accessories are inspected daily.

EnviroGold makes periodic inspections and testing to the solutions process tanks. Some of the records were reviewed, the parameters observed on the records under the ultrasonic testing procedure for verification of the structural integrity and signs of corrosion are included. The secondary containment is included in EnviroGold regular inspections.

There is a Leak Detections and Spill Collection System which is including in the designs. The Environmental Dam has a level sensor that triggers a visual alarm when more than 80% of its capacity is covered. The alarm is located in front of the person in charge of the 24-hour control room.

Based on the Sodium Cyanide Tanks, Equipment, Pipes, and Valves Maintenance Procedure, EnviroGold inspects pipes, pumps and valves to identify and correct any signs of deterioration or leakage, with the routine inspection checklist Circuit Cyanide: EVGL-LL-PP-FRM-CR-0014-001.

EnviroGold makes periodic inspections to the solutions ponds and pipelines conditions such as available freeboard or integrity of surface water diversion. Those conditions are considered as described in the inspection procedure: EVGL-LL-PP-FRM-CR-0014-001

EnviroGold inspections are properly recorded with all the necessary documentation including date, name of inspector, and deficiencies found. The corrective action plan and priorities are also properly documented. The procedures are defined and set for a three-year period which is the minimum period of time the facility is required to retain inspection records.

EnviroGold has a Process Water Dam Level Control procedure EVGL-LL-PP-PRC-90-0002-001, which takes into consideration the use of a contingency pond "ENVIRONMENTAL POND." Any spill in the containment will be pumped to the process.

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

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 4.1
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold has developed procedures for leach plant, tailings impoundments, and cyanide treatment, regeneration and disposal systems.

Cyanide Preparation Procedure indicates that the tanks use an overflow system and a spill control method at the end with signals in the control room.

All existing cyanide management procedures and the Process Water Dam Level Control (90-DAM-01) procedure are included in the master list.

The plant design parameters show the solutions flow starting from when cyanide enters the system through the mixing tank. The pumps locations, other chemical reagents and the process cycle until the solution reaching Emergency Pond are also specified.

Preventive inspection procedures; such inspections include the tanks, valves, pumps, pipes, and tailings ponds. The plant, cyanide storage and water management inspection records were reviewed.

According to the Cyanide Management Plan, Section 2.4.2 of EVGL-LL-EHS-GDL-0004, no process or operation practice changes can be made without prior consensual evaluation and authorization by management.

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EnviroGold maintains operational procedures and practice to identify and correct an operating process that may increase the potential risk of cyanide spill.

The Cyanide Guidelines “GUIA MANEJO DE CIANURO (CMP) PROYECTO MINERO LAS LAGUNAS” establishes guidelines to follow on a spill situation, either by water balance problems or operational problems or in case of temporary closure or final cease of operations, which considers the water balance is maintained, without any overflow or leakage of solution. This plan provides for the conduct of inspections and monitoring required to identify and correct problems that may arise.

The plan defines actions to be taken when an imbalance occurs in the balance of water that could cause a spill of solution. It could be in case of a hurricane, heavy rains, etc.

The plan points out to contingency steps necessary to handle the event (shutdown pumps, automatic pump on, safe return of solutions.)

Administrative and operational measures are carried out to meet a temporary closure or definitive closure of operations: e.g., risk identification of environmental or poisoning damage vulnerability, neutralization of potentially harmful elements of the process and that they are acceptable.

There are conducted periodic formal inspections scheduled with the participation of groups of supervisors who alternate this task. Daily inspections by personnel of the operation are performed. Annual inspections plans 2015 and 2016 were checked. As a result of inspection findings are categorized according to their risk and identified and registered in CORRECTIVE ACTION PLAN AND PREDICTIVE were reviewed.

CORRECTIVE ACTION PLAN AND PREDICTIVE records for the years 2015 and 2016 shows the findings in the inspections of 2015 and 2016, the status of each action generated in the inspections and the date on which pending issues was completed. Classifications issues (A, B, C) are according to the risk posed to set the correction time are indicated. In another tap of the same file in Excel, statistics listed shares.

In conformity with established procedures, all storage and mixture areas are inspected following a predictive maintenance plan which also includes ultrasound testing.

In conformity with established procedures EnviroGold inspects all secondary containment systems in case of spill collector over filling the solution will go to Enviromental Pond.

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Leak detection and collection systems are inspected and verified on-site and from the control room. In conformity with established procedures EnviroGold inspects and keep inspection records of pipelines, pumps and valves for deterioration and leakage.

Detailed inspections are performed daily following specific checklists focused on the safety of the dams, pumping systems and solutions balance.

EnviroGold inspections are properly recorded with all the necessary documentation including date, name of inspector and observations. The corrective actions are also properly documented based on risk analysis.

A preventive maintenance programs and the activities are documented through procedure and proven by checklist, required on Cyanide Management Guide.

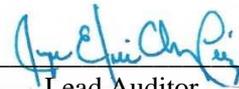
The operation has one (1) large emergency backup power generator if the entire grid is out to keep pumps going. This measure is to prevent accidental releases or exposures if by any chance the primary power source is interrupted.

With the grid, the operation has power available from 2 directions, meaning the operation very rarely get a power disruption that can take out the plant.

Three (3) Records of work orders (O.T.), maintenance and testing of generators, were checked:

- The records show the elements to be verified such as testing time, pressure, temperature, RPM, odometer, voltage, frequency of testing and maintenance.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 4.2
- not in compliance with
- not subject to

*Summarize the basis for this Finding/Deficiencies Identified:*

The operation conducts a program in order to adjust the addition of cyanide rates to the minimum required by the ore.

50% CTC Carbon was replaced by 75% CTC coconut shell charcoal, thus, improving gold recovery. Attacking with 500 ppm instead of using 600-650 ppm of cyanide.

Samples of process slurry are taken every hour from each of the CIL tanks and analyzed for cyanide concentration. The addition of cyanide to the tanks is continually adjusted to maintain the minimum addition rate necessary to meet process requirements.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 4.3
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold developed a water balance in which the volumes of water entering and leaving are determined at each stage of the process.

The water balance takes into consideration the use and outputs at each stage incoming from the tailing dam, 90-DAM-01, to the plant, limestone addition, elution water, steam

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evaporated, tailings underflow, flotation tails, concentrate diluted feed. In summary, the solution flows in closed cycle. The complete diagram was revised.

The Environmental Report based in Rosario old mine operation, according to the methodology recommendation from the US National Weather Service, table No. 7:

The 50 year, 24hr event is 380 mm and 460 mm for 100 year, 24hr event. The amount that would pond in the Las Lagunas embankment then is approximately 285,000m<sup>3</sup> for the 50 year even and for the 100 yr event 345,000m<sup>3</sup> out of a holding capacity of +3 million m<sup>3</sup> in the dam – 1 m freeboard , so excess holding capacity many times the 100 yr event.

The project has available rainfall records from 2011 until today. In the 1990s the area suffered severe hurricane onslaught without any spill occurrence. In addition to the Environmental Pond, there is another dam “Polishing Pond” where the company has artificially placed bird species and enabled for biodiversity.

EnviroGold considered an area of wet climate with on average 1843.4 mm (72.6 in) of rainfall per year, or 153.6 mm (6.1 in) per month.

The driest weather is in January when an average of 88.2 mm (3.5 in) of rainfall (precipitation) occurs.

- The wettest weather is in May when an average of 234.2 mm (9.2 in) of rainfall (precipitation) occurs.

The water assessment takes into consideration the rainfalls throughout the basin, the probable hurricanes strikes in the Caribbean, and evaporation in regards to proper water balance.

Potential freezing and thawing conditions are not applicable in EnviroGold operation. In case of rainfall in the upper basin, the process plant drains run around it. The rain water falling on the process plant is directed to the Environmental Pond and a pumping system sends the excess water to the TSF. In case the capacity of the environmental dam is exceeded and the pumping system has a problem, downstream of the Environmental Pond there is a lake with no outing or drain connection.

EnviroGold recycles and sends the solution to the plant and if necessary to the main tailings dam in up to more rate of 154 m<sup>3</sup> /hr.

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In case of power outage EnviroGold immediately activates its backup generator plants or pneumatic pumps.

EnviroGold makes no solution discharges to surface water, however, if necessary and due to extreme precipitation, the solution could be discharged from the Environmental Pond to the "Polishing Pond", that was established mixing zone by Dominican Republic political jurisdictions. The pond has no connections to natural waterways without any point of discharge. Consequently, cyanide values are monitored in both dams.

HDPE and concrete surface covered for drainage in a Emergency Pond facility.

Cyanide tanks are positioned in such a way that in case of overflow the solution will fall into a lower tank. The tanks are set in sequence. After detoxification the material passes to a pump control system controlled by an automatic level system, LIC5005 (Level indicator Control).

The Environmental Pond was designed to operate with a freeboard above the maximum storage capacity designed. The dam inspection records reflect that the safety margin is between 0.5 and 1 meter from the surface overflow

The operation measure precipitation and revise the operation practices. It has a balance of water from entering the old tailings dam, evaporation losses and return back to the old initial tailings dam.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 4.4
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

The entire plant has perimetral fence and collects any process solutions in a Environmental Pond that are cleaned up as soon as practical.

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Records indicate values in the old tailing dam between 0.43 and 0.35 mg/l CN WAD.

WAD cyanide determinations using the picric acid method are completed every 6 hours from the TSF discharge prior to entering the TSF dam. WAD cyanide determinations are currently completed 2 hourly from the DETOX circuit; however this will be changed to 3 hourly.

During the audits days (November 3<sup>th</sup>-4<sup>th</sup> and 5<sup>th</sup>, 2015) were conducted three analysis in "Over flow Area 55 and one (1) in Environmental Pond, obtaining values below the numerical guidelines.

The operation has historical data (readings for the last 12 months).

Daniel Galvan Brugal, a certified chemical engineer, attests to the previously reported results.

EnviroGold maintains periodic inspection record of the Environmental Pond surroundings with chronological verification of the presence or absence of dead birds. The inspections have not observed mortality of birds or wildlife.

The "polishing pond" lagoon is located downstream of the Environmental Pond and has no exists connected to other natural channels. It has been protected by inserting an aeration system with strict control of oxygen concentration in the water in order to mimic biodiversity. The lagoon has ducks, and several bird species arrive from time to time.

EnviroGold does not use the heap leach method during its operations.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 4.5
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

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EnviroGold does not have a direct discharge to surface water or drainages, however, if necessary and due to extreme precipitation, the solution could be discharged from the Environmental Pond, to the "Polishing Pond", that was established as enclosed mixing pond. It is subjected to quarterly reviews by the authority of the Ministry of Environment of Dominican Republic. The Polishing Pond has no connections to natural waterways in any point of discharge.

EnviroGold does not have a direct discharge to surface water from the enclosed mixing pond "Polishing Pond".

The operation protect biodiversity through biotoxicity testing using techniques accepted by the applicable jurisdiction as increasing the concentration of oxygen in the water by injecting compressed air into the Polishing Pond.

EnviroGold does not have an indirect discharge to surface water of the enclosed mixing pond.

The operation does not engage in any remedial activity to prevent degradation and restore beneficial use.

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

The operation is

- in full compliance with
- in substantial compliance with      Standard of Practice 4.6
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold implemented measures to protect groundwater under the Environmental Pond, doing it by placing a geomembrane of HDPE, smooth on both sides. The maximum permissible values are 0.1 mg / l. On September 2014 a test was performed resulting in 0.0781 mg / l CN.

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There is no real or established beneficial use to the groundwater, nor the Dominican Republic jurisdiction has established a beneficial use, and there is no regulation that can be applied as standard limit to WAD cyanide.

No leaks from any source have caused cyanide concentrations to exceed any numerical standards established, thus no remediation activities have been necessary.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 4.7
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

The solution tanks used in the procedure have containment ponds. The cyanide tanks, equipment, pipelines, valves and accessories have spill prevention measures through the inspection of pipes, tanks, containment ponds and HCN level control room monitoring as well tank test with ultrasonic technology.

The volume of the largest CIL tank is 496 m<sup>3</sup> with a secondary containment volume of 3,620 m<sup>3</sup>. The secondary containment consists of a concrete bund (90 m<sup>3</sup>) with a spillway and drain leading to a lined pond with an emergency storage capacity of 3,530 m<sup>3</sup> (The Environmental Pond). The pond has a maximum capacity of 14,678 m<sup>3</sup> but is maintained with 1 m freeboard to ensure adequate emergency storage capacity.

Level indicator was commissioned on 17/02/16, and installed to ensure the freeboard.

In order to prevent and eliminate leaks to the environment EnviroGold performs regular inspections to the pipeline and pumps. These routine inspections are part of the maintenance program.

In conformity with EnviroGold corrective action plan when a leak is detected it is repaired and then registered as closed. All process tanks have secondary containment.

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The procedure establishes measures to prevent leaks and spills, which determines that all tanks including process and pipes must have a containment pond. Should a spill or leak take place, the solution will go to the Environmental Pond. The above described procedure details the parameters of the inspection.

There are no cyanide pipelines near surface water.

All tanks and pipelines are constructed of materials compatible with cyanide and high pH conditions; metallic and HDPE pipelines and tanks.

*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.*

The operation is

- in full compliance with
- in substantial compliance with      Standard of Practice 4.8
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

Cyanide operation facilities have been assessed by a suitably qualified person to determine if they were constructed as indicated on the design plans, and if they may continue to operate with their existing procedures.

EnviroGold established QA / QC programs following the provisions for the construction of Environmental Pond. The programs take into consideration soil compaction criteria and materials selection. Jurisdictional permits authority of the Dominican Republic was issue.

EnviroGold maintains records of the designs including the plant expansion, storage and mixing area. EnviroGold is constantly performing quality control and assurance including the adjustments needed to comply with the ICMI Code.

EnviroGold qualified personnel reviewed the cyanide facility construction and provided documentation to demonstrate that the facility was built as proposed and approved.

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Cyanide operation facilities have been assessed by a suitably qualified person to determine if they were constructed as indicated on the design plans, and may continue to operate with their existing procedures.

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

The operation is

- in full compliance with
- in substantial compliance with      Standard of Practice 4.9
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold has developed a written standard procedure for monitoring activities in the environmental impact assessment.

A specialized company has developed and established protocols for the operation. Qualified company personnel developed a map of the monitoring locations. Regular reports are submitted to the Ministry of Environment and Sustainability.

The procedures specify samples location, sample preservation techniques, shipping instructions, and cyanide species to be analyzed.

EnviroGold consider sampling condition like weather, livestock/wildlife activity, anthropogenic influences, etc. and procedure documented in writing.

EnviroGold makes no processed water discharge to surface water. The Groundwater is quarterly monitored by the government of the Dominican Republic.

EnviroGold inspect and documents daily wildlife mortality events related to the contact with cyanide solutions.

In conformity with EnviroGold procedures underground water, air, and noise are monitored quarterly. In case outcome results are not within allowed values, all necessary corrective

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measures will be in forced. These measures will be monitored until everything is within the allowed standards.

External reporting results of environmental monitoring company EMPACA issued in September and December 2015 refer to cyanide in surface water. The operation only groundwaters well are not considered for human consumption. According with the Environmental Groundwater Quality Standard and Subsurfaces discharges of the Dominican Republic these Groundwaters are classified "Clase A-1", with limited use and variable aquifer vulnerability.

The "Presa de Filtraciones" (PF) which is located adjacent to groundwater well (P), showed below the limit results for free cyanide.

***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.*

The operation is

- in full compliance with
- in substantial compliance with      Standard of Practice 5.1
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

The mine closure plan was submitted in 2006 and renewed in April 26, 2011, established

- Physical stability.
- Chemical Stability.
- Biological Monitoring.
- Monitoring slope stability; and according with ICMI compliance.

Decommissioning plan it is attached to the schedule of 12 months after the closure of industrial operations.

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The plan includes an implementation schedule for decommissioning activities:

The mine closure plan was submitted in 2006 and renewed in April 26, 2011, by requirement of the government of the Dominican Republic.

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

The operation is

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

*Summarize the basis for this Finding/Deficiencies Identified:*

The decommissioning costs are fixed and as a requirement for the environmental license the funds are deposited every 4 months in a bank account. This measure is to ensure the funds are available when required regardless of the Project's economic situation at the end.

The 6400 Environmental Law established by the Ministry of Environment and Natural Resources requires compliance with the decommissioning plans. The Environmental Permit No. 100-06-DEA-MODIFIED renewal documentation details compliance.

EnviroGold first final closure calculation was March 2009. The latest updated estimated cost calculation is 2013.

The Environmental Permit No. 100-06-DEA-MODIFIED is the latest updated decommissioning plan activities.

The 6400 Environmental Law established by the Ministry of Environment and Natural Resources of the Dominican Republic requires financial assurance for the mine closure or decommissioning. The operation has made the proper financial assurance payments to comply with the law. EnviroGold has fulfilled and is up-to-date with this requirement.

The Ministry of Environment and Natural Resources of the Dominican Republic requires financial guarantees.

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EnviroGold has financial strength to fulfill this obligation as demonstrated in its financial statements. It is also reflected in the financial audits reported each year which are constantly monitored and supervised by the government.

**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.*

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 6.1
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

There are standard operation procedures and safe practices for every cyanide-related task including unloading, storage, cyanide preparation and filter cleaning.

All procedures require the use of personal protective equipment and address pre-work inspections as standard procedure format, including maintenance and operation.

Every year EnviroGold operation implements procedures to review the process and operational changes proposed by suppliers or customers as required by documental control.

EnviroGold document to change anyone can propose and in consensus with the area manager, is reviewed in management meetings.

Some current operation procedures have been suggested by workers. For example, the pump cleaning procedure was proposed by an operator who suggested the pumps could be cleaned when not in use. The suggestion resulted in the backup pump cleaning procedure.

Everyday management meetings are held to discuss aspects of the mine operation including safety. The plant has suggestion boxes also.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 6.2
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

According to the conducted interviews EnviroGold verifies the appropriate pH for limiting the evolution of hydrogen cyanide gas during mixing and production activities. During mixing there are two portable meters for limit control, and one in the store.

EnviroGold uses a calibrated instrument specified in the Emergency Plan page 37 EVGL-LL-HSE-MAN-0002 and the Cyanide Management Guide (CMP) of Las Lagunas Mining Project EVGL-LL-EHS-GDL-004 for measuring the exposure to cyanide gas.

Fixed measuring instruments have been placed over the leaching tanks during the unloading and mixing processes.

There are six (6) portable and two (2) fixed instruments in the area of tanks 40-TNK-02 and 50 TNK-01. Fixed instruments are calibrated following manufacturer's specifications.

EnviroGold has a no-eating policy within the plant and its surroundings. The policy is explained during induction and also in safety trainings; it is also established within procedures.

The Emergency Map shows the location of showers, eyewash stations and firefighting equipment.

Showers, low-pressure eye wash stations, and fire extinguishers are maintained, inspected and tested on a regular basis; according to final summary for 2015, 93% (13 units from 14) of the eye wash station and 100% of the showers are working.

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The operation has commissioned two elevated tanks to provide a constant and adequate flow of potable water for showers and eyewash stations, in order to be the eye wash station fully operational.

Mixing and process tanks and piping containing cyanide are properly labeled to alert workers of their contents and the direction of cyanide flow in pipes.

There are MSDS in the warehouse and folders in several locations. A matrix containing all the chemicals, 29 in total, used in the mine was developed.

All the informational materials on cyanide safety including MSDS are available Spanish on and English.

There is a procedure to investigate accidents. The procedure's content includes a protocol which states the methodology that can be used depending on the magnitude of the event (the 5 whys, fault tree analysis or TASK).

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 6.3
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

The emergency procedure describes the steps to provide first aid. It details the resources to be used during an emergency: such as oxygen, antidote kit, and a radio for communication. A paramedic and the emergency brigade are always available.

EnviroGold inspects its first aid equipment every week to ensure it is available when needed. Also, verifies the manufacturer's environmental condition recommendation is followed according to procedure. As available antidote are sodium thiosulfate 250 mg / ml and sodium nitrite 30 mg / ml. Stored as directed by the manufacturer.

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EnviroGold has developed specific written emergency response plans and procedures (Manual de Emergencias) to face and manage cyanide exposures and environmental incidents. First aid cases, transportation of injured persons to healthcare centers, exposure control and environmental protection are among the topics developed in the manual.

EnviroGold employs 4 paramedics so it has the capacity of providing first aid assistance.

Pages 44-45 of the Emergency Manual outline the procedure for transporting persons exposed to cyanide, and all the emergency contact numbers. In addition to this, Maimon Integral Health Center (CISAM) has adequate medical facilities.

EnviroGold in coordination with Mr. Vargas, MD and Mr. Martinez, MD from the Maimon Integral Health Center have formally agreed to be aware of and treat every potential case of cyanide exposure. The doctors visited the mine and also agreed to give seminars and coordinate mock drills related to cyanide poisoning.

The 2015 and 2016 training and drill program schedule is described in the Emergency Plan. Solid Cyanide Solutions Spills.

***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.*

The operation is

- in full compliance with
- in substantial compliance with      Standard of Practice 7.1
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold has developed an Emergency Response Plan called Emergency Manual “Manual de Emergencias EVGL-LL-HSE-MAN-002.

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The Emergency Response Plan considers escape during catastrophic situations: Storage, unloading, mixing plant, process area, leaching area, including considerations in case of hurricanes.

C Logistic Solutions, SRL an ICMI certified Company, takes into consideration accidents during transportation.

Page 36 of the Emergency Response Plan takes into consideration cyanide releases during truck discharge, storage, and transportation to the mixing tank.

The Emergency Response Procedure during and after a fire was established by EnviroGold in page 45 and 46 as procedure to minimize the risk of spills during fire and considers and evaluates aspects related to rupture controls and cyanide spills, also for the remaining chemicals used and listed in the Plan.

Within the Emergency Response Plan, EnviroGold has established a General Evacuation measure in case of tanks, tailing dams, and dikes overflow. In case of power or pumps failure, EnviroGold is equipped with one (1) backup power generator, seven (7) pneumatic pumps and two (2) backup compressors.

In case of emergencies that may affect the community such as uncontrolled leaks, spills, broken valves, piping, tanks, power failure, tailing dam sliding and others, the response procedures are in the Emergency Response Plan.

These procedures include the evacuation of personnel and the potentially affected communities of the area. Operational management and response personnel must be notified. Use cyanide antidotes, take first aid measures, contact the nearest clinic for support, control leaks at their source, contain leaks, escape assessment and mitigation procedures to examine the cause of the leak and implementation of measures to prevent its recurrence.

Page 36 and 49 of the Emergency Response Plan indicate the procedures to be followed in case of solid or solution cyanide spills. Treatment and effective recovery are indicated.

EnviroGold has earth-moving machinery available to perform works in dikes or tailings. Submersible and pneumatics pumps with backup power energy are also available.

EnviroGold works together with C Logistic Solutions, SRL, an ICMI certified company.

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The plan describes actions required in case of spills which include notifications and attention to communities that may be affected. EnviroGold does not have drainage connected outside the plant, which is a geographic advantage. EnviroGold is located at a closed basin with a lagoon called "Polishing Pond" in its lowest topographical part (after the Environmental Pond. The company uses the lagoon for bird breeding and air injection in order to preserve biodiversity.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 7.2
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

There has been some contact with communities, however, it is not very prudent to have too much contact because there have been cases of people reacting collectively with violence in order to get evicted and sell their lands.

The Ministry of Environment and Mineral Resources of the Dominican Republic in the provision Article 3: "EnviroGold Company (Las Lagunas Limited) ensures compliance with the provisions of the International Cyanide Code, and any national provision of matter, throughout the Project life."

A connection between the companies and the Dominican State surfaced as a result of the above mentioned provision. The State has accepted the responsibility to respond in case of communities' emergencies, to the extent that state organizations such as Civil Defense (National Emergency Operations Center, COEN), the National Emergency Response System and the firefighters will be responsible of mitigating any cyanide-related incident that might affect communities.

The relation among the previously mentioned state organizations is summarized in a continuous channel of communication and regulated by a Regulatory Body under the Presidency of the Republic.

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EnviroGold does not inform the communities because of the above mentioned reasons. However, as part of Corporate Social Responsibility the company has arranged emergency response trainings that would not cause any social disturbance.

Firefighters have visited the plant and its surroundings to become familiar with potential emergency scenarios and operations risks. The certified transporter must also be escorted by Civil Defense, firefighters and armed forces as requested by the State.

EnviroGold has held meeting with those in charge of emergency response, such as firefighters and health centers.

EnviroGold is aware the help and support the institutions could provide would be insufficient due to the distant location of the mine, thus, it is preparing and training brigades. Local physicians and firefighters provide constant trainings to prepare EnviroGold brigades for emergency cases, first aid, and ambulance manual handling equipment, transport injured persons, extinguishers handling and firefighting.

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

The operation is

- in full compliance with
- in substantial compliance with      Standard of Practice 7.3
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

The Emergency Response Plan has established a response from emergency brigades who has the authority to provide the necessary resources under the Shift Operation Supervisor. Page 5 of the Plan indicates who is responsible of the emergency response and its responsibilities and identifies the emergency response team: Spills, First Aid-Evacuation, Transportation of Patients to Health Centers, Fires, and Emergency Evacuations.

EnviroGold adequately trains its emergency responders. Occupational Safety and Health Regulation 52206 requires an Emergency Plan with training included as a legal

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requirement. Members of the emergency brigades are always present; the four crews have staff on duty.

The Emergency Plan details the brigade members' roles and responsibilities depending on the emergency.

Transportation is performed by C Logistic Solutions, SRL, a Code certified company.

EnviroGold has emergency kit with personal protective equipment available.

The Emergency Plan details the brigade members' roles and responsibilities depending on the emergency and includes procedures for the inspection of the personal protection equipment and of the response to emergencies.

EnviroGold Emergency Response Plan describes the roles of the organized brigades when handling emergency situations. The Brigades have formed an emergency response committee with sufficient autonomy to handle local emergencies (i.e. small scale damages to the community or the environment) and coordinate accordingly with national or international organizations in case outside help is needed.

EnviroGold has sent letters to the health centers, police, civil authorities, and community representatives included in the Emergency Response Plan; the plan is attached to the letters. EnviroGold has developed and invited those outside entities to participate in trainings about cyanide management and emergency prevention systems.

EnviroGold has also provided training in cooperation with the transporter.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 7.4
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

Page 20 of the revised version (Nov. 5, 2015) of the Emergency Response Plan details a list of telephone numbers for internal and external notifications. The list includes telephone numbers of health centers, hospitals, police and firefighting stations, and community authorities.

Page 34 of the EnviroGold Emergency Response Plan refers to the attention provided to the affected community. It also considers spill containment, the use of antidote if necessary and to contact the nearest health clinic.

*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.*

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 7.5
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

Pages 49-51 of the Emergency Response Plan describe the types of cyanide spills, the procedures to handle them and neutralization methods. Containment berms placed in every critical location.

Pages 53 and 57 of the Emergency Response Plan "Emergency Manual" indicated about protection of soil and environmental control procedures by soils neutralization.

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Page 53 describes remediation, disposal of spill clean-up debris.

EnviroGold uses bottled water for human consumption.

Page 35 of the Emergency Response Plan prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water.

In case of spills EnviroGold follows the decision tree analysis established in pages 34 and 35 of the Emergency Response Plan. For both emergency cases, in dry and wet locations, the response plan indicates that communities must be alerted, water and gas must be monitored and also samples must be collected.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 7.6
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold has established evaluation periods for the Emergency Response Plan. It was updated in February, June and November 2015 according to the document revision control policy.

Page 42-44 of the EnviroGold Emergency Response Plan “MANUAL DE EMERGENCIAS” establishes mock emergency drills plan that must be performed in October 2015 and January 2016.

No cyanide-related emergency has occurred at EnviroGold. The Emergency Response Plan was revised in October and programmed for January 2016 as required by the government of the Dominican Republic.

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**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.

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 8.1
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold Training Plan scope 2015 includes all the activities of the mine; cyanide hazard recognition is included in training. The operation maintains a matrix and training records for hoisting processes, emergency response, defensive driving, new workers among others; and has developed training topics written training personnel who might have contact with cyanide to hazard recognize cyanide in the operation, know the health effects of cyanide, symptoms of cyanide exposure and procedures to follow in case exposure.

All training schedule, frequencies and records are detailed for each individual worker in the matrix.

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.

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 8.2
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified*

EnviroGold employees are trained in the process of storage, cyanide use, handling, and maintenance to minimize the risk to health and environment problems and has the

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necessary elements in its training program handout for employees, P.P. standard presentation.

Qualified personnel from C Logistic Solutions, SRL, have provided EnviroGold employees emergency response and intoxication training, it has also provided respiratory protection training. This company has entered into an agreement to train mine personnel in specific topics such as: organizing First Aid Brigades, Firefighting, and Transportation of Injured persons.

EnviroGold has coordinated a training for doctors provided by Moimón health center, located about 12 kilometers from the mine.

Before working with cyanide every employee receives initial and periodic training. Copies of procedures and safety pamphlets about cyanide management are given to each employee.

Refresher trainings on cyanide management are performed and documented on a regular basis. Training efficiency is evaluated through written tests given to the attendees and the performance scoring.

EnviroGold keeps records documenting all the trainings received by its workers. These records include the name of the instructor, training day, issues addressed, and copy of the test done by the employees.

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

The operation is

- in full compliance with
- in substantial compliance with      Standard of Practice 8.3
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold staff in charge of mixing, production and maintenance is constantly trained in the procedures to follow in case of a cyanide spill. All personnel are trained in decontamination procedures and first aid attention.

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Emergency Response Coordinators and members of the brigades have been trained in the cyanide-related procedures indicated in the Emergency Response Plan. EnviroGold has also provided training to transportation providers, firefighters, and subcontracted companies.

EnviroGold has made coordination meetings and practice exercises with “Maimon” Health Center in order to respond an emergency with paramedics, firefighters, health authorities and community-related emergency response.

Within its training matrix EnviroGold establishes refresher trainings regarding cyanide exposures and releases response.

EnviroGold organized regular drills for training purposes. The drills include workers exposure and environmental release scenarios.

Procedures are examined during drills to determine if they are adequate or deficient.

The cyanide training records are retained, including names of the employee and the trainer, the date of training, the topics covered, and how the employee demonstrated an understanding of the training materials.

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

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

The operation is

- in full compliance with
- in substantial compliance with      Standard of Practice 9.1
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold has an open-door policy and has appointed a person to exclusively handle community issues, including those related to cyanide management. This person provides the opportunity to address any concerns.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 9.2
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

During the process of evaluation of the Environmental Impact Study open forums were conducted for neighbors, communities, health and civil authorities, firefighters and police.

Many EnviroGold employees are members of the community and through their collaboration the community gets the opportunity to consult, suggest and be informed about the benefits of the company's operation. Community meetings with firefighters and doctors of nearby health centers were held and documented; also suggestions, photos or community management-related procedures were recorded.

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

The operation is

- in full compliance with
- in substantial compliance with Standard of Practice 9.3
- not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:*

EnviroGold has issued pamphlets and brochure to describe and communicate the activities of the mine. Also provide information about cyanide management and how it can interact favorably with the environment.

Information about cyanide does not need to be verbally disseminated because the population surrounding the mine is educated. The mine is also surrounded by The Pueblo Viejo Gold Mine, operated by Barrick / Gold Corp.

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No incidents of people exposed to cyanide or cyanide leaks have been recorded. Therefore, no information about cyanide limit, concentration or leaks in and out the process plant has been reported to the population.

The operation has procedures in place to report the types of cyanide releases or exposure. This information would be made available to the public

EnviroGold kept in an Emergency Manual the Vulnerability Table in which are described all incidents based on a risk analysis.

The operation has designed an implemented a program which includes communication, training, meetings with external media and community authorities involved and drills, to report the types of cyanide releases or exposure that could occur, as well as a plan for internal and external communication.

There have been no incidents involving hospitalization, fatality, cyanide releases off the mine site requiring response, remediation, involving resulting in significant adverse effects to health or the environment.

There have been no incidents requiring reporting under applicable regulations, involving cyanide releases on or off the mine, resulting in significant adverse effects to health or the environment. There have been no releases that are or that cause applicable limits for cyanide to be exceeded.

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