

September 30, 2015

Veladero Mine Incident

On the morning of Sunday September 13, the Veladero mine in San Juan province, Argentina, detected a faulty valve on a pipe carrying processing solution at the mine's heap leach pad. The valve failure led to a release of solution into the Potrerillos River, a watercourse that flows adjacent to the leach pad area. This type of solution is primarily comprised of fresh water and diluted cyanide, with cyanide making up only a small fraction of the solution that entered the river as a result of this incident.

Emergency management procedures were initiated as soon as the valve failure was detected, and the processing solution circuit was shut down. Veladero is certified under the International Cyanide Management Code, which includes stringent requirements for emergency response in the event of any incident involving cyanide. The mine's Emergency Management Plan and procedures meet Code requirements and were followed during this incident.

Barrick immediately notified the authorities and local stakeholders about the incident and expanded and intensified its water monitoring activities in the river system downstream from the mine. The closest community to the mine is approximately 150 kilometers downstream. Water samples analyzed by an independent third-party laboratory have confirmed that there were no risks to the health of downstream communities as a result of this incident. These findings are consistent with independent water testing results reported by other third parties, including the Public Health Department in San Juan province, the state water distribution company and the United Nations.

At no time did cyanide levels in the downstream river system near communities exceed 0.1 parts per million total cyanide, the legal limit for safe-drinking water in Argentina, and in line with international standards for drinking water.

As a precautionary measure, Barrick provided a number of small communities downstream from the mine with drinking water until the company could confirm to the satisfaction of local authorities that the downstream river system was safe. Barrick also provided water to the communities of Jachal and Iglesia at the request of a local court judge, although there was no identified risk to these communities.

Promptly after discovering the faulty valve, Barrick sent a team of its leading technical experts and environmental specialists to Veladero to assist with the response to the incident, including the investigation into the root causes. While the investigation remains ongoing, preliminary results have determined that the solution originating from the failed valve entered the mine's Northern Diversion Channel adjacent to the heap leach pad area. A gate on this channel was open at the time of the leak for reasons that are still being investigated. The open gate allowed the solution to bypass a containment pond and enter the Potrerillos River.

Barrick estimates the valve failed at approximately 8 p.m. on September 12. The company estimates that 1,072 cubic meters of solution entered the Potrerillos River. Cyanide made up only a small fraction of the total volume.

On September 16, a local court restricted the addition of new cyanide to the mine's processing circuit. The court lifted the restrictions on September 24 after inspections by the mining authorities and an independent court-appointed expert determined the site was safe. The company has implemented a series of preventative measures and additional controls at the leach pad and related facilities. These measures include:

- Sampling of water that flows into the Potrerillos River every 30 minutes when the Northern Diversion Channel gate is open.
- Inspections of pipe valves in the leach pad area every two hours.
- The addition of heat tracing and insulation materials to pipe valves to prevent freezing.
- To increase transparency and meet the requirements of the local court, community members and independent third parties, including the National University of San Juan, the state water company and the provincial mining authority, will participate in regular water sampling of the downstream river system.

The safety of people and the environment will continue to be Barrick's top priority as the company responds to this regrettable incident. Barrick will continue comprehensive water monitoring and will share the results with authorities and local stakeholders. The company will also continue to provide regular updates to the authorities and local stakeholders on the progress of its investigation.