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## 14 ENVIRONMENTAL MANAGEMENT DEPARTMENT GENERALITIES

After three (3) world summits on the environment and sustainable development, companies have understood the importance of incorporating environmental management in operation, mainly the mining tech sector. This was initially encouraged by international environmental law to national, through laws, decrees, agreements and actions, initiated in companies directly, by necessity, union consensus or deliberate decision.

The arrival of Environmental Management Systems (hereafter with the acronym SGA by its initials in Spanish) have collaborated to demonstrate the viability and sustainability in the long run, it brings to the company, obtaining benefits such as:

- Technological achievements.
- Costs reduction.
- Image improvement, quality of life of employees, security and competitiveness in international markets.

TOUCHSTONE is aware of the importance of incorporating good environmental performance in harmony with economic performance (See Illustration 14-1), as established sustainable development without sticking exclusively to the minimum standards required by the regulations. In order to gradually improve the viability or environmental performance and offer to the market a precious metal under a corporate image of sustainable and responsible mining.

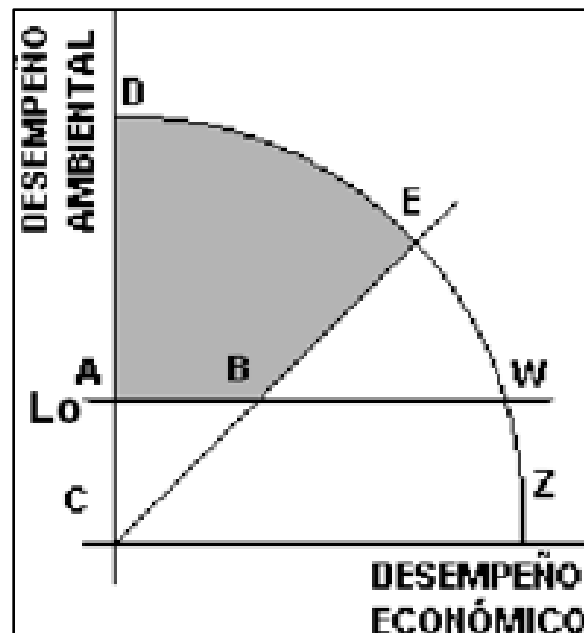


Illustration 14-1. Environmental and economic performance.  
Source: Omar Celis Rengifo.

This two-dimensional diagram, considers the goals of economic performance (technical, financial, existing infrastructure, etc.) in the X axis and environmental performance (socioeconomic and ecological aspects) on the Y axis the reasoning is based on the unit impact (Magnitude of total / Units of goods or services impact the project provides), conceiving that is more acceptable to develop a project of medium impact and large benefits (positive impact), and therefore with lower unit impact, to develop projects with low impact and low benefits and consequently with high unit impact (Omar Celis Rengifo).

Under the reasoning of the unitary impact, these projects are located above the line CBE (See Illustration 14-1), They offer a high environmental performance for a given economic performance. If we accept that  $L_0$  limit may correspond to a "readiness of society to accept a given environmental impact," it adds the additional restrictions on projects located below the line  $L_0$  will be unacceptable, therefore the feasible area is reduced the ABDE zone (Omar Celis Rengifo), a situation considered for the mining project "EL PESCADO" mining concession in 5969.

According to Decree 1299 of 2008, the Environmental Management Department (hereafter with the acronym in Spanish DGA) of companies at the industrial level in exercise of the powers conferred by Article 189, paragraph No. 11 of the National Constitution and Article 8 of regulating law 1124 of 2007, decreeing "(...) *All companies industrially must have an environmental management department within its organization to ensure compliance with environmental regulations of the Republic*".

Economic activities at industrial level that should shape the DGA, are established by the International Standard Industrial Classification of All Economic Activities (hereafter with the acronym in Spanish CIU), adopted by the National Administrative Department of Statistics (hereinafter NADS- in Colombia DANE) by resolution 56 1998 and amended by. Resolution 300 of 2005 and those that modify or replace. According to a Single Tax (hereinafter RUT) of society TOUCHSTONE GOLDHING SA COLOMBIA BRANCH, is registered, industrial activity is within the CIU and corresponds to "Exploration and Exploitation precious metals" with code No. 1320, so It presents both then shaping the EMD within the framework of the environmental license.

Below the chart and the action plan of DGA formed within TOUCHSTONE described.

## 14.1 ORGANIZATION CHART OF THE ENVIRONMENTAL MANAGEMENT DEPARTMENT (DGA BY ITS INITIALS IN SPANISH)

In the Illustration 14-2 the organization chart is presented, including the organizational joint DGA followed engineering department.

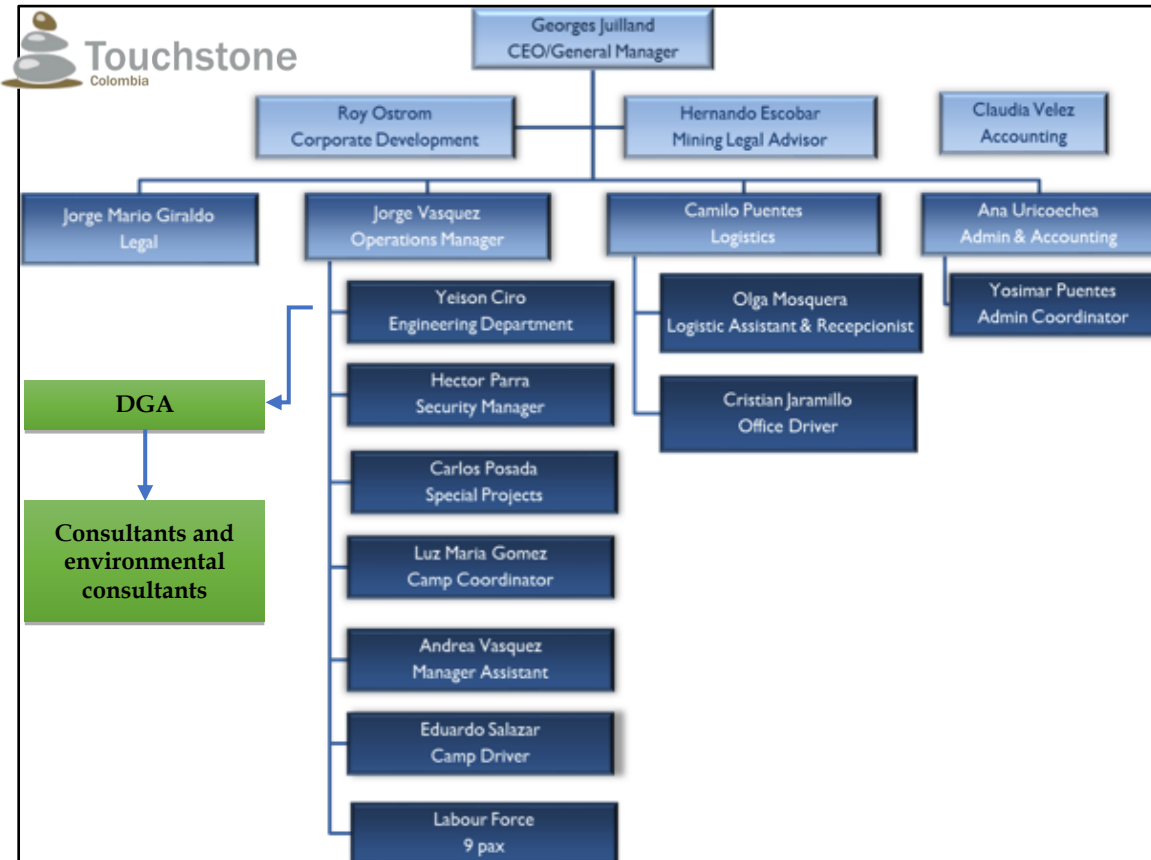


Illustration 14-2. DGA within the Organization chart of TOUCHSTONE.

Source: TOUCHSTONE.

The director of the DGA is a comprehensive professional, knowledgeable of the environmental sector and the company, aware of environmental issues and experienced in such projects.

This charge requires economic, environmental, and prospective skills. So, the department requires a professional whose base is environmental, but also has training/experience in business, economics and forward.

Consultants and contractors may also collaborate; they are necessary for the execution of some of the commitments or obligations contained in this Environmental Impact Evaluation (hereafter with the acronym in Spanish EIA) and the Environment government office (hereafter with the acronym in Spanish SDA)

## 14.2 ACTION PLAN

According to this regulation, the DGA is responsible for ensuring, establishing and implementing actions to direct the environmental management of the company; ensuring compliance with environmental regulations and treaty obligations of LA and SDA; prevent, minimize and control the generation of pollutant loads; promote cleaner production practices and rational use of natural resources; increasing energy efficiency and use of cleaner fuels; implement options for reducing emissions of greenhouse gases; and the protection and conservation of ecosystems.

The DGA for this project has been implementing its action plan via the following activities:

This department is responsible for compliance with obligations under the Environmental License, the SDA, Implementation of Social Management Plan and Environmental Monitoring programs and monitoring Emergency Plan, Investment Plan, 1% Closure Plan and compensation and restoration plan by SDA.

Additionally in a voluntary way, the company can innovate to improve environmental performance Illustration 14-1 or incorporate / adapt technologies to achieve this goal through research and development of remediation and prevention to reduce the impact as little as possible, and that processes not only comply with environmental legislation (preventive) but are continuous improvement, this will be achieved by working more on the solution from product conception (proactivity), and not so much to prevent damage after it has already been created.

The DGA is transverse and work hand in hand with the other areas, to control the impact they may cause. The format established by CORANTIOQUIA for the registration of the DGA will be completed later.

According to Article # 5 of the Decree, the Table 14-1 established and responsible area is summarized functions.

**Table 14-1.** Functions and responsible for DGA

FUNCTION	RESPONSIBLE
Incorporating environmental considerations into decision making of the company.	Management
Plan, establish and implement processes and procedures, manage resources to develop, monitor and track the implementation of measures to address environmental management and environmental risk management thereof.	Management, DGA and Environmental Advisors
Control and follow up. Provide technical advice - environment within the company. Institutional support and co-operation.	Environmental consultants
Ensure compliance with current environmental regulations.	

FUNCTION	RESPONSIBLE
Establish and implement prevention, mitigation, correction and compensation of environmental impacts.	DGA, advisers, consultants and / or environmental contractors
Promote improved environmental management and performance within the company.	
Implement better environmental practices within the company.	
Leading the activity of education and training at all levels of the company in environmental matters.	
Keep the environmental information of the company and generate periodic reports.	
Preparing the information required by IDEAM.	
Provide other information arising from nature and are required to comply with appropriate environmental management.	
Identification and evaluation of environmental impacts then implement management measures in order to route a sustainable activity.	
Running Mining Environmental Guide for exploration drilling.	
Compliance with obligations under the Environmental License.	
Compliance with obligations under the SDA.	
WFP implementation, monitoring programs and monitoring Emergency Plan, Investment Plan, 1% Closure Plan and Plan compensation and restoration by the SDA.	
It will be linked in some processes and programs with the input of labor and presentation of projects for the benefit of its habitants.	

Source: INGEX, 2016.