




Energy Policy

Drummond Ltd. is dedicated to attaining the highest standards of excellence in everything that we do. This philosophy is demonstrated in every aspect of our business, including the measures taken to protect the environment through steadfast adherence to responsible environmental management policies and practices. Drummond Ltd. not only produces an excellent source of energy, we also use a substantial amount of energy in our own operations. We are constantly evaluating different ways to reduce our environmental footprint and make our operations as energy-efficient as possible through management processes and practices. Although we rely heavily on fossil fuels in our operations, we have adopted many programs to reduce our dependence on these fuels. Some of these initiatives include:


- Operation of a 169 Megawatt Generation Plant that uses natural gas as the primary fuel source. This has reduced the amount of diesel fuel used in the operations by over 10 million gallons per year. This plant came on-line in 2004.
- Purchased 50 new light vehicles at the mine that are equipped to burn CNG (compressed natural gas) and/or gasoline. We are currently requiring that these vehicles only run on CNG. A CNG fill station was constructed at the mine in 2013.
- Converted most of our permanent water pumping stations to electric pumps in place of diesel fuel units. This has saved several thousand gallons of diesel fuel per year and has made our pump systems more energy efficient throughout the system.
- Converted 3 PC8000-1 Hydraulic Shovels from diesel to electric power.

Drummond Ltd. strives to set goals for the future on how we can reduce the amount and type of energy used at our operations. For every gallon of diesel fuel saved at our operations we reduce particulate emissions (PM10) approximately 0.0425lb and about 10,180 grams of CO₂/gal. Some of the current targets/goals we are currently working on include:

- Purchase 50 CNG powered light vehicles per year over the next 10 years which reduces the dependency on gasoline and or diesel fuel to power the light vehicle fleet.
- Working with our equipment supply partners to evaluate converting a portion of our 240-ton overburden truck fleet from diesel to LNG (liquid natural gas) power. Currently, we expect that technology to possibly become economically feasible in the 2017 to 2018 time-frame.

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- Tie-in to the Colombia National Electrical Grid as soon as permitted by the Colombian Government which would allow us to idle several Caterpillar Generators which would save approximately 2.5 million gallons of diesel fuel per year and shift from natural gas base-load generation to electricity from hydro generation.
 - Replacing diesel water pumps with electric water pumps at our EL Descanso Operation as permanent stations become available.

This policy will be monitored by a team made up of personnel from the operations department, environmental department, materials department, maintenance department, and electrical department. This group will be responsible for developing goals and implementation and monitoring of the projects that are undertaken. All performance monitoring and reporting information will be gathered and stored by the environmental department representative and available in the engineering/environmental office for review.

Approved: 
Date: 4-22-14



DRUMMOND LTD.
COLOMBIA