



ACTION	DELIVERABLE	DEADLINE
<p><b>3. Social and Environmental Impact Assessment Preparation</b></p> <p>Argentex Mining Corporation will complete and disclose (in accordance with IFC's disclosure policy) for a minimum period of 60 days a detailed SEIA prior to any substantive mine construction or development. The SEIA will be conducted in line with the requirements of IFC Performance Standards.</p>	SEIA submitted to IFC for review prior to disclosure	Sixty (60) days prior to start of mine construction
<b>LABOR AND WORKING CONDITIONS</b>		
<p><b>4. Argentex Mining Corporation develop a Human Resources (HR) policy by addressing the following areas in line with IFC Performance Standards and host country laws and regulations:</b></p> <ul style="list-style-type: none"> <li>a. Articulate a HR policy, document recruitment process; promotion procedure; freedom of association; and formalized grievance mechanism</li> <li>b. Integrate the various elements of HR policy into one document to be made available to staff</li> <li>c. Develop a grievance mechanism for staff and contractors</li> </ul>	Provide IFC with a HR policy addressing these sections	Within three months of subscription
<b>CULTURAL HERITAGE</b>		
<p><b>5. Chance find procedures</b></p> <p>Develop chance find procedures outlining the procedures to follow in case any cultural heritage is found during the exploration phase</p>	Provide IFC with a copy of the procedures for review	Three months after signing
<b>ANNUAL MONITORING REPORT</b>		
<p><b>6. In close collaboration with IFC agree on a format of an Annual Monitoring Report</b></p>	Agree with IFC on a format of Annual Monitoring Report	Prior to signing



**Health Safety Environment Communities (HSEC) Policy  
Policy Guidelines  
and  
Due-Diligence Checklist**

**BASED ON**

**International Best Practices, OHSAS 18000, ISO 14000**

*To be read with any other documentation considered necessary*

***15-October-2010***

# POLICY OVERVIEW

## HEALTH SAFETY ENVIRONMENTAL AND COMMUNITY POLICY STATEMENT

Argentex Mining Corporation and its Subsidiaries ("Argentex" or the "Company") are committed to achieving excellence in all of its activities including the management of health, safety, environment and community (HSEC). To fulfil this commitment the Company has established high standards of practice for all of its Operations, and has directed its Subsidiaries to conduct all Operations in an ethical manner having regard for local and national laws, regulations, requirements and policies. As a responsible company, our objective is to maximize long term benefits to our shareholders while meeting or exceeding applicable health, safety environmental and community responsibilities. The Company strives to mitigate potential environmental impacts from its exploration and development activities, to provide a safe and healthy workplace for all employees and contractors, and to protect both human and environmental resources for future generations. Health, safety, environmental and social considerations are integrated into all aspects of management and decision-making. Policy statements for each of these specific areas are contained in this document.

Argentex and its Subsidiaries are committed to:

- developing and implementing proactive and sustainable health, safety, environmental management and community best practices;
- building on international best management practices for mineral exploration, evaluation and development;
- implementing environmental and social requirements as established by the various levels of government in Argentina;
- as a minimum, complying with national laws and regulations, and operating in compliance with IFC's Performance Standards and Environmental, Health and Safety Guidelines;
- establishing and implementing communication, consultation and information disclosure plans and procedures which consider all stakeholders and are appropriate to the scale, scope and risk of planned activities;
- where possible, ensuring that the Company assists in the development of sustainable local policies and procedures that will mitigate or minimize potential impacts from exploration and development activities on the natural landscape and local communities, and which will ensure a safe and healthy environment for its communities and their natural resources, including wildlife, that may reside in the areas where exploration, development and potential subsequent mining may occur; and
- as appropriate to the scale, scope and risk level of planned activities, undertaking programs in support of community liaison, disclosure and interaction, at a level which will increase in scale as the level of activities increases.

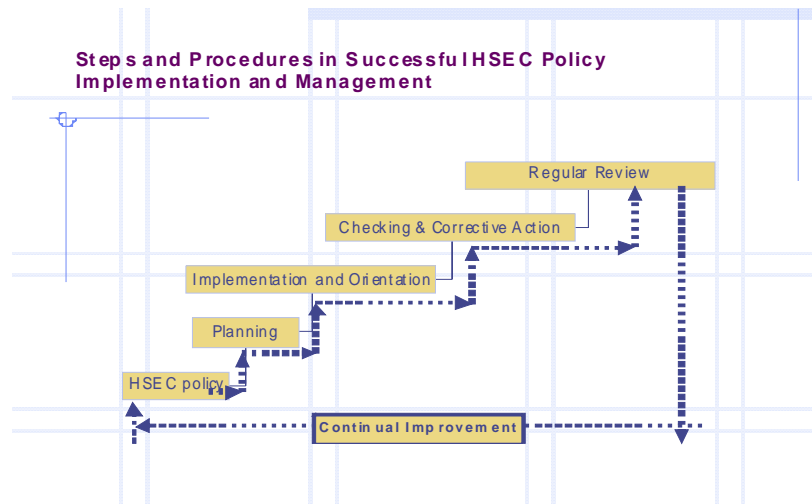
In addition to the policy documents and guidelines presented below all users of this material should also refer to the annexes at the end of this document.

## POLICIES AND GUIDELINES

Argentex Mining Corporation and its Subsidiaries ("Argentex" or the "Company") are committed to the implementation of a comprehensive Health, Safety, Environment and Community (HSEC) Policy. Argentex will ensure that this Policy is made known to all its managers, staff, contractors, and partners, and that it is proactively implemented, reviewed, and updated.

This Policy and the guidelines are aimed at ensuring that Argentex and any operating Subsidiaries<sup>1</sup> adhere to best Health, Safety, Environment and Community (HSEC) international practice standards during all stages and all phases of exploration and development activities in Argentina. In addition, Argentex will ensure that the activities of contractors and associates will be assessed against these standards.

The figure below shows the elements involved in effective health, safety, environment and community management and is based on the Occupational Health and Safety Assessment Series (OHSAS 18000) and the international management system standards on environment (ISO 14000) and quality (ISO 9000) management and IFC's Performance Standards on Social and Environmental Sustainability (30-April-2006).



<sup>1</sup> All capitalized terms used in this Policy that are not defined directly in this Policy but which are defined in the Equity and Warrant Subscription Agreement between Argentex Mining Corporation and International Finance Corporation dated September 24, 2010 (the "Agreement"), shall have the meaning attributed to them in the Agreement.

# ENVIRONMENTAL POLICY

## Introduction

The Company believes that the foundation for successful exploration and sustainable mine development lies in good environmental management, proactive health and safety procedures, transparent interaction with local communities, and implementation of prudent expenditure controls and business performance at every stage of a project cycle from mineral exploration, through project evaluation and development, as well as into construction and mine site operations.

The Company will implement appropriate management plans and procedures for the different activities comprising each stage of its prospecting, exploration, evaluation and development work.

## Environmental Management at the Prospecting and Evaluation Stage

The Company will ensure that environmental management plans and procedures for all stages of exploration, evaluation, development or mining are in place at an early stage. All exploration, prospecting and evaluation work programmes will be undertaken under the strictest environmental management controls with the necessary procedures in place to ensure that immediate potential environmental impacts are mitigated and that appropriate recovery and rehabilitation processes are set in place.

## Environmental Guidelines for Different Phases of Work

<p><b>Ground Follow-up and Exploration</b></p>	<ul style="list-style-type: none"> <li>• Environmental and Social Impact Assessment ("ESIA") appropriate to the work planned will be undertaken prior to ground based exploration</li> <li>• ESIA's will identify and address issues related to biodiversity, soil, ecology, vegetation and wildlife, air quality, water resource utilization and water quality, energy utilization and conservation, solid and liquid waste management, vehicle impacts on desert environments, handling, storage and use of hazardous materials (e.g.: fuels and oils), reclamation of exploration areas, and community</li> <li>• Management plans will be formulated in consultation with environmental and mining Authorities, local communities, and other stakeholders and these plans will address impacts identified by the ESIA's</li> <li>• The objective of this approach will be to collect social and environmental baseline information early on in order to identify and mitigate potential impacts during exploration, planning and feasibility work, and to leave a productive, self-sustaining and hazard-free post-exploration environment</li> <li>• The Company will not conduct or be associated with any on-ground exploration or Operations in gazetted National Parks</li> <li>• The Company will not conduct or be associated with any on-ground exploration or Operations which would result in destruction or significant degradation of a critical natural habitat as defined through application IFC PS6 (Biodiversity Performance Standard)</li> <li>• The Company will implement a chance find policy in conjunction with the appropriate Authorities with respect to archaeological remains discovered during the course of exploration activities</li> </ul>
<p><b>Field Mobilization / De-mobilization,</b></p>	<ul style="list-style-type: none"> <li>• Consult with all relevant Authorities to establish appropriate guidelines</li> </ul>

<p><b>Camp Establishment and Removal</b></p>	<p>and Authorizations for ground based surveys</p> <ul style="list-style-type: none"> <li>• Show respect for cultural and ecologically sensitive sites and liaise as above</li> <li>• Show awareness and understanding when operating in or close to protected areas</li> <li>• Have respect for communities and consult with all stakeholders beforehand</li> <li>• Use existing camp sites or cleared areas for establishment of camping, parking and processing of field samples</li> <li>• Use existing roads and access and consult with Authorities or communities if it is essential to construct new access</li> <li>• Close-off all exits to roads and tracks that may be constructed once the Project is complete</li> <li>• Ensure that all fuels and lubricants are stored appropriately and that liners and berms are in place to contain spillages</li> <li>• On completion of programs remove all items, litter and other foreign objects and substances</li> <li>• Reclaim, including the smoothing and repair of disturbed areas, and replace topsoil and plant material</li> <li>• The covering of fuel and oil spills with clean soil and vegetation is not an effective means of rehabilitation</li> </ul>
<p><b>Exploration and Prospecting</b></p>	<ul style="list-style-type: none"> <li>• Whenever possible, avoid damage to, cutting and removal of any indigenous trees</li> <li>• Minimize the use of, and impact from, vehicles</li> <li>• Place marker pegs in sensible positions and ensure that these can be removed if necessary once work programmes are complete</li> <li>• During soil (loam) and / or stream sediment sampling minimize ground disturbance and replace top soil and plant material</li> <li>• Ensure that removal of soil and rock material will not lead to adverse surface water impacts and erosion</li> <li>• Remove all litter and debris</li> </ul>
<p><b>Ground-based Geophysical Surveys</b></p>	<ul style="list-style-type: none"> <li>• Implement procedures as above</li> </ul>
<p><b>Drilling Programmes</b></p>	<ul style="list-style-type: none"> <li>• Implement procedures as above</li> <li>• Prevent adverse surface and groundwater impacts</li> </ul>
<p><b>Bulk sampling (via Open Pitting)</b></p>	<ul style="list-style-type: none"> <li>• Ensure that all Environmental Impact Assessment work is complete</li> <li>• Remove any significant topsoil and plant material to one side</li> <li>• Whenever possible, minimize removal and damage of any indigenous trees</li> <li>• Conduct extraction in a systematic fashion and ensure rehabilitation is</li> </ul>

	<p>an integral part of the mine programme</p> <ul style="list-style-type: none"> <li>• Ensure that slimes dams are secure and do not contaminate surface and groundwater</li> <li>• Ensure stability of pit walls</li> <li>• Ensure that the footprint of the operation is constrained to the minimum possible area</li> <li>• If possible, and where appropriate, backfill completed sampling excavations, replace rock and other material, and cover with topsoil and plant material</li> <li>• Sample trenches may remain open for the duration of the exploration activities provided that safe entry and exit points are established and maintained and the edges of the trenches are clearly delineated</li> </ul>
<b>Open Cast Mining</b>	<ul style="list-style-type: none"> <li>• Ensure stability of pit walls, any underground workings and water storage facilities</li> <li>• Minimize dust emissions, noise, vibration and visual impacts</li> <li>• Prevent adverse surface and ground water impacts</li> <li>• Minimize damage to biodiversity and reduction in land capability</li> <li>• Progressively rehabilitate areas disturbed by mining</li> </ul>
<b>Mineral Processing Facilities</b>	<ul style="list-style-type: none"> <li>• Prevent adverse air quality impacts and minimize dust levels</li> <li>• Minimize use of water and energy</li> <li>• Minimize spillages and waste generation; responsibly dispose of unavoidable wastes</li> <li>• Prevent adverse groundwater and surface water impacts</li> </ul>
<b>Solid Process Waste and Waste Rock</b>	<ul style="list-style-type: none"> <li>• Contain seepage of contaminants and pollutants</li> <li>• Prevent flooding and failure of tailings dams</li> <li>• Minimize release of dust</li> <li>• Minimize damage to biodiversity and avoid land alienation</li> </ul>
<b>Decommissioning and Closure</b>	<ul style="list-style-type: none"> <li>• Conserve and restore biodiversity</li> <li>• Prevent adverse surface and groundwater impacts</li> <li>• Ensure long-term stability and viability of rehabilitated surfaces</li> <li>• Manage socio economic issues to minimize adverse socio-economic impacts</li> </ul>
<b>Town, Road and Airfield Construction</b>	<ul style="list-style-type: none"> <li>• Consult with Authorities and communities to ensure optimization of locality and infrastructure</li> <li>• Minimize dust emissions, nuisance and noise</li> </ul>

# COMMUNITY RELATIONS, COMMUNICATIONS AND NOTIFICATION POLICY

## Introduction

Proactive interaction with the stakeholders that the Company's exploration and development programmes may impact on is considered an important part of the long-term investment that the Company is planning in Argentina.

The Company recognizes that from the inception of the programme, and as the Project progresses, it will be important to:

- ◆ communicate and proactively engage with all the local communities and other stakeholders that may be affected by its programmes,
- ◆ inform and obtain buy-in on a mutually agreed and consensus based manner with the full range of stakeholders that may be impacted upon by exploration and evaluation, construction and development, or mining,
- ◆ identify any vulnerable or marginalized groups within the affected communities (i.e. women, elders, handicapped) and ensure that they are also reached by above information disclosure and consultation activities.

In these respects, the Company will work actively and transparently with Government Authorities, other elected parties, non-governmental organizations, and the communities themselves to ensure that they (the communities) are aware of the activities of the Company, and that the impact on communities is kept to a minimum.

At the point when detailed or advanced exploration activities, drilling, evaluation and other such programmes are implemented, the Company will endeavour to identify how the impacts of such work on communities can best be managed, and how benefits can best be provided to communities through the activities of the Company. This will be undertaken in consultation with the affected communities.

## Stakeholder and Community Notification Protocol

This following Stakeholder and Community Notification Protocol shall apply to all exploration, prospecting, bulk sampling and mining, commensurate to the level of activity and impact:

<p><b>Broad Stakeholder Consultation</b></p>	<ul style="list-style-type: none"> <li>• The Company shall document in writing all meetings with communities</li> <li>• The Company shall notify, communicate and consult with all persons, or groups of persons, external to the Operations who may be expected to be affected by or concerned by activities in their areas of residence or livelihood</li> <li>• The Company will ensure that proactive consultation and dialog is maintained at all stages to identify and work with stakeholders to develop strategies that will address their concerns and expectations</li> <li>• Consideration will at all times be given to local context and cultural factors in order to facilitate understanding and informed discussion</li> <li>• The Company will, as appropriate, seek the assistance of independent third parties, facilitators, NGO's and other credible organizations to assist this process</li> </ul>
<p><b>Communities</b></p>	<ul style="list-style-type: none"> <li>• The Company will proactively consult with and maintain regular engagement with communities with regard to Project activities and issues which may affect communities</li> </ul>

	<ul style="list-style-type: none"> <li>• Specific efforts will be made to build awareness of and manage early exploration stage social risks including in-migration, speculative land acquisition and, development of infrastructure, etc. as appropriate</li> <li>• The Company will promote strong relationships with, and enhance the capacities of, of those communities where it conducts activities for ongoing periods</li> <li>• Where it is possible, support for community projects will reflect the priorities of local people and sustainability, and will be stage appropriate to the Company's activities and cost effectiveness</li> </ul>
<b>Community Notification</b>	<ul style="list-style-type: none"> <li>• The Company will commence a community notification and communication process in advance and will undertake Community Notification as outlined below, as applicable:</li> <li>• The Notification process shall include the following information as a minimum: <ul style="list-style-type: none"> <li>a) General location with reference to specific local landmarks</li> <li>b) Estimated survey commencement</li> <li>c) Estimated survey duration</li> <li>d) Invitation to contact with questions or comments</li> <li>e) Client representative contact details.</li> </ul> </li> </ul>
<b>Information Dissemination</b>	<ul style="list-style-type: none"> <li>• Unless clearly inappropriate for a given survey, notification advertisements will be placed in local and regional newspapers or transmitted by radio, where possible.</li> <li>• The minimum frequency shall be once per week for a minimum of two weeks.</li> <li>• The advertisement shall be in the official language of Argentina, as a minimum.</li> <li>• Spanish and the most widely used local language will be the main languages of communication but where necessary translations into local dialects may be undertaken</li> </ul>
<b>Government Bodies</b>	<ul style="list-style-type: none"> <li>• The Company respects the laws and regulations of Argentina whilst seeking to observe, within its Operations, the universal standards of accountable and equitable human rights practices</li> <li>• The Company aims to be and be seen as socially responsible and an investor of choice</li> </ul>
<b>Non-governmental Organizations</b>	<ul style="list-style-type: none"> <li>• The Company aims for constructive relations with relevant non-governmental organizations</li> <li>• The input of these organizations is considered important in terms of leading to better practices and increasing our understanding of host communities.</li> </ul>
<b>Placing of Notification Documents</b>	<ul style="list-style-type: none"> <li>• Notification advertisements will be placed in areas where community members gather. These notices shall take the same form as above and shall be posted in a visible location (e.g. markets, meeting halls, places of worship, local government offices) at least two weeks before survey Operations are to commence.</li> </ul>

<p><b>Facilitators</b></p>	<ul style="list-style-type: none"> <li>• Consideration will be paid to local conditions and where dictated by these local conditions (for example low literacy rates) visits to the local community will occur. The team makeup involved in these visits will include as a minimum:             <ul style="list-style-type: none"> <li>a) Company representative familiar with the operation</li> <li>b) Translator if needed</li> </ul> </li> </ul>
<p><b>Review and Feedback</b></p>	<ul style="list-style-type: none"> <li>• The effectiveness of communication, consultation and participation processes will be regularly reviewed in collaboration with stakeholders</li> <li>• Prior to the commencement of operations, the Company will provide feedback to any community members that have raised issues as a consequence of the notification process.</li> </ul>

# HEALTH AND SAFETY POLICY

## Introduction

The health and safety of its employees, contractors, affected communities and any other role players that may participate and be affected by the activities of Argentex are crucial to the long term success of the Company.

Every effort will be made through training, regular reviews and briefings, and other procedures to ensure that best practices health and safety policies are implemented and maintained by the Company including prompt and in-depth accident and incident investigation and the implementation of the conclusions thereof. The Company's aim is at all times to achieve zero lost-time injuries (LTI's) and fatalities.

## Health and Safety Guidelines

<p><b>Leadership and Accountability</b></p>	<ul style="list-style-type: none"> <li>• All Directors, managers, employees and contractors shall understand their accountability and demonstrate leadership and commitment to the HSEC Policy</li> <li>• The Directors and management shall ensure compliance and regularly review HSEC performance and risks</li> <li>• Managers and Team Leaders are accountable for the HSEC performance of their business, and the implementation and communication of the HSEC and shall see that regular meetings are held to disseminate procedures and monitor performance</li> <li>• Managers and Team Leaders will ensure that all contractors are informed of procedures and receive clear instructions in respect of HSEC. Relevant terms requiring compliance with the HSEC will be incorporated into contract documents.</li> <li>• Employees and contractors understand that they have the right and responsibility to stop or refuse to work in unsafe conditions, and shall bring these conditions to the attention of management immediately</li> <li>• Employees and contractors will be encouraged to report unsafe condition and violations of the Company's HSEC Policy without fear of reprisal</li> </ul>
<p><b>Legal Requirements, Documentation</b></p>	<ul style="list-style-type: none"> <li>• All management, staff and contractors shall ensure that they are familiar and in compliance with all regulation and guidelines (be they State, local government and / or Company) before embarking on any work programme</li> <li>• Directors and management are responsible for ensuring that systems are in place whereby HSEC procedures are documented, displayed, distributed and that HSEC records are established and maintained, and are accurate, legible, and identifiable</li> </ul>
<p><b>Risk Management, HSEC Risk Register</b></p>	<ul style="list-style-type: none"> <li>• HSEC risks and hazards will be constantly reviewed, assessed, identified, documented, and managed</li> <li>• Risk management identification procedures will be carried out at each new or existing site or operation, recorded and maintained in a HSEC Risk Register</li> <li>• New Risks and HSEC procedures will be implemented and</li> </ul>

	communicated whenever identified, with training provided for the management of all risks
<b>Awareness, Competence, and Behaviour</b>	<ul style="list-style-type: none"> <li>• Company management and personnel, including all Project and site managers shall ensure that they, their staff, contractors and visitors are in good health and able to conduct work requirements in a competent manner</li> <li>• Inductions that address relevant HSEC objectives, hazards, risks, controls and behaviour will be conducted and documented for employees, contractors and visitors at the commencement of their employment or site visits</li> <li>• Regular re-briefings and training programs shall be held to reinforce the HSEC Policy and risk management</li> <li>• Stage-appropriate cross-cultural training will be undertaken for employees and contractors who interact with peoples from different cultures.</li> </ul>
<b>Communication, Consultation and Participation</b>	<ul style="list-style-type: none"> <li>• Effective communication and consultation shall be maintained between the Directors, management, employees, contractors and other stakeholders.</li> <li>• Employee, contractor and stakeholder participation and feedback is encouraged, and tracking of follow-up actions shall be documented and reviewed</li> <li>• Open consultation and communication with government, Authorities and other organizations will be maintained in order to contribute to the development of public policy, relevant legislation and educational initiatives</li> </ul>
<b>Personal and Property Safety and Security</b>	<ul style="list-style-type: none"> <li>• Employees and contractors will be aware and mindful of potential personal safety and security risks that may be encountered in the local environments in which they operate, and this will also extend to the use of Company facilities and property</li> <li>• Awareness in respect of vehicle high-jackings, theft of personal items, break-ins and other such risks is important and appropriate measures to minimize such risks should be implemented at all times</li> </ul>
<b>Operations, Inspections and Maintenance</b>	<p><b>Road Travel and Transportation</b></p> <ul style="list-style-type: none"> <li>• All personnel shall adhere to road travel regulations and speed limits</li> <li>• All employees, including management and Directors, should insofar as possible avoid travelling by road at night and should at all times be particularly mindful of pedestrians and animals on roads and roadsides. Each site will have a driving policy based on the conditions at the site.</li> <li>• All personnel vehicles shall contain an automotive type fire extinguisher approved by the HSEC Representative which must be checked regularly and refilled or replaced immediately after use</li> <li>• A portable fire extinguisher of an approved type and size will be conspicuously mounted on every support truck and heavy equipment</li> <li>• Seat belts are to be worn at all times by personnel in vehicles travelling on or off road in Company's area of Operations including the</li> </ul>

site

- Cell phones will not be used whilst vehicles are in motion, cell phones must not be answered until a vehicle is stationary.
- All personnel should be properly enclosed in vehicles with seat belts and no personnel shall be transported on the back of open vehicles
- Effective means of communication shall be present in each vehicle, especially when remote areas are visited
- Vehicles shall employ headlights at all times when in transit (day and night)
- Emergency supplies of water and fuel shall be present in each vehicle
- Each vehicle shall have a minimum of two spare wheels and an effective means of repairing punctures

#### **Work and Camp Sites**

- All sites shall be kept clean and tidy, and equipment and walkways will be kept free of grease, oil and other hazards
- All sites shall have appropriate fire extinguishers in obvious locations
- Personnel on site must be familiar with the location and use of these extinguishers

#### **Plant and Equipment**

- All plant and equipment will be operated, maintained, inspected and tested within the framework of the HSEC Policy and risk management procedures
- All machinery, tools, and equipment used in performing work activities shall remain in good and safe operating condition and shall be operated in accordance with safe operating practices
- All dangerous or moving parts (including but not limited to chains, belts, sprockets, shafts, couplings and clutches) shall be adequately covered with safety guards to prevent accident or injury.
- All machinery or equipment to be repaired shall be isolated before repairs are effected
- All electrical generators, appliances, fittings, power leads and power tools used at sites will conform to approved specifications/standards, be tested routinely and regularly inspected by a certified electrician
- Wooden handles of hand tools, such as axes, sledge hammers, shovels, picks, rakes etc., used in connection with the services, will be properly secured and free of splinters

#### **Flammable Materials and Gas Cylinders**

- Flammable materials such as diesel, petrol, oils and gas cylinders will be isolated and stored in a cleared designated areas
- Toxic additives shall be avoided wherever possible
- Oxygen, acetylene, and propane bottles used by staff will be properly secured in an upright position at all times
- Fire extinguishers must be located within safe distances from the above designated areas

#### **First Aid and Emergencies**

- First aid kit appropriate for the number of personnel in the area will be

	<p>provided to every support vehicle.</p> <ul style="list-style-type: none"> <li>• All personnel must know the location and use of these kits and one person shall be delegated the task of regularly checking and restocking the first aid kits</li> <li>• Emergency communication equipment shall be available at every site or operation</li> <li>• Managers and/or Team Leaders shall conduct regular safety inspections of all machinery, tools, and equipment and immediately report any deficiencies to management</li> <li>• Managers, supervisors, and insofar as possible all staff will have completed First Aid training</li> </ul>
<b>Contractors and Partners</b>	<ul style="list-style-type: none"> <li>• The contracting of services, and the purchase, hire or lease of equipment and materials, as well as activities with partners, are carried out so as to minimize any adverse HSEC consequences and, where possible, to enhance community development opportunities</li> <li>• Systems will be set in place to ensure that the HSEC performance of contractors, suppliers and partners, are compliant with the Company's HSEC Policy, and to provide disciplinary action and economic sanctions for material breaches</li> <li>• Contractors and suppliers shall at all times provide information on the hazards associated with their equipment, products and services (see Annex B – Contractors and Suppliers: HSE Requirements)</li> <li>• All contractors and key suppliers will be subjected to regular monitoring to ensure compliance with the HSEC Policy</li> </ul>
<b>Incident Reporting and Investigation</b>	<ul style="list-style-type: none"> <li>• Personnel injury or lost time accidents and/or material damage or losses which cause stoppage of normal Operations shall be reported, documented, investigated and analysed in a timely manner according to specified procedures (See Annex C- Contractors and Suppliers: Health Safety and Environment (HSE) Requirements, plus reviewed during daily field safety meetings (see Annex D – Guidelines for Field Safety Meetings)</li> <li>• Incidents with potential for similar consequences as above shall be reported and documented in a similar manner</li> <li>• Corrective and preventive actions shall be taken and lessons shared</li> </ul>
<b>Crisis and Emergency Management</b>	<ul style="list-style-type: none"> <li>• Procedures and resources will be in place to effectively respond to crises and emergency situations (see Annex B – Emergency Response Procedures)</li> <li>• It shall be the responsibility of management and Team Leaders to ensure that all employees and contractors are fully aware of all procedures</li> <li>• All employees and contractors must ensure that they are be made aware of procedures and acknowledge this</li> </ul>
<b>Monitoring, Audit and Review</b>	<ul style="list-style-type: none"> <li>• HSEC performance and systems will be monitored, audited and reviewed by management to identify trends, measure progress, assess compliance, communicate problems and drive continuous improvement</li> </ul>

<p><b>Occupational Health</b></p>	<ul style="list-style-type: none"> <li>• Employees and contractors will be assessed for their fitness for work and protected from health hazards associated with their work</li> <li>• Occupational health and hygiene assessments, and ongoing medical surveillance programmes, will be conducted for all occupations, tasks, and work environments, consistent with exposure risk</li> <li>• Employees will have access to adequate medical and first aid services as appropriate to the location and nature of Operations</li> <li>• Contractors will ensure that their staff are adequately protected in terms of health and medical requirements</li> <li>• The Company will promote an approach whereby it encourages employees and contractors to undergo assessment to ensure their fitness for work. Any information or medical records will be kept confidential</li> </ul>
<p><b>General</b></p>	<ul style="list-style-type: none"> <li>• Conduct informal field safety meetings at the beginning of each shift</li> <li>• Community Security and Safety issues associated with the Company's Operations are identified and managed insofar as this is possible</li> <li>• The Company promotes and encourages a safe and healthy lifestyle amongst staff, contractors, communities and individuals which it either employs, contract or interacts with</li> </ul>

# DEVELOPMENT STAGE ENVIRONMENTAL AND SOCIAL MANAGEMENT POLICY

## Introduction

The Company recognizes the benefits of proactively engaging and working with local communities for the benefit of all stakeholders. In this respect the company will communicate and consult with local communities and stakeholders with a view to fostering mutual understanding and shared benefits through the promotion and maintenance of open and constructive dialogue and working relationships.

In order to maximize the benefits arising out of any mining development, the Company will ensure that all construction and mining Operations carried out by it or by its Subsidiaries, adhere to the guidelines outlined below

## Development Guidelines

The Company will, wherever possible, and appropriate to the stage of the Project:

- draw on experience from and replicate positive initiatives from similar projects worldwide
- Implement the requirements of IFC's Performance Standards on Social and Environmental Sustainability (30-April-2006)
- support and improve (i) local communities and (ii) promote integrated resource conservation and utilization in the region:
- support regional economic development not directly tied to the Project
- support Project related supply chain development and linkages
- provide training programs for available jobs
- support community-based natural resource management initiatives
- support water resource development initiatives
- support institutional development and capacity building, in particular in the areas of resource conservation monitoring and management
- develop sustainable infrastructure requirements in conjunction with the needs of the community
- investigate and apply the benefits gained from use of local knowledge.

## Signed:

Ken Hicks, B.Sc (Hons), P.Geo.

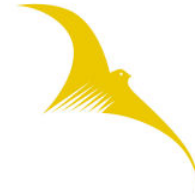
***President***

## Date:

## **ANNEXES**

- Annex A.** Due Diligence Checklist
- Annex B.** Emergency Response Procedure
- Annex C.** Contractors and Suppliers: Health Safety and Environment (HSE) Requirements
- Annex D.** Guidelines for Field Safety Meetings

**Annex A**  
Due Diligence Checklist



## DUE DILIGENCE CHECK LIST

The Due Diligence Checklist is aimed at ensuring that the documents and policy guidelines are properly applied and followed. It should be applied as follows.

### Section 1: INITIAL SYSTEM ELEMENTS CHECKLIST

This entire section should be used to establish a preliminary overview of the Company's general level of HSEC management knowledge, compliance, and maturity. It should be applied to all Operations including airborne surveys.

### Section 2: SUBSTANTIVE AND OPERATIONAL CHECKLISTS

Each sub-section list can be used in isolation but should be combined with others, which are relevant to what is being checked.

Example 1: Assessment of VEHICLES should also be combined with assessment of SAFETY ORGANISATION, EMERGENCY PLANNING, PERSONAL PROTECTIVE EQUIPMENT, ENVIRONMENT, FIRE PREVENTION AND CONTROL, SAFETY INSPECTIONS and ACCIDENT/INCIDENT REPORTING & INVESTIGATION.

This series of checklists is intended as a dynamic document, subject to constant change in view of individual experiences in its use. It is recommended that results be kept on file, findings (with recommendations of corrective actions) of common interest be circulated appropriately, and constructive suggestions for changes be sent to Ken Hicks, President at Argentex.

## SECTION ONE: INITIAL SYSTEM ELEMENTS CHECKLIST

Element of the Management System	Yes	No	Comment
IS THERE AN ACCEPTABLE HSEC POLICY?			
IS THERE ADEQUATE PLANNING (Are HSEC hazards identified and management plans developed)?			
IS IMPLEMENTATION AND OPERATION OF HSEC (Management plans) PROGRAM ADEQUATE?			
IS THERE ADEQUATE CHECKING AND EFFECTIVE CORRECTIVE ACTION?			
DOES MANAGEMENT REVIEW HSEC PROGRAM?			

*OHSAS 18002 can be used as reference specifically chapter 4.*

## **SECTION TWO: SUBSTANTIVE AND OPERATIONAL CHECKLISTS**

<b>Element of System / item</b>	<b>Yes</b>	<b>No</b>	<b>Comment</b>
IS THE HSEC POLICY DISPLAYED & UNDERSTOOD?			
IS THERE A SUFFICIENT HEALTH, SAFETY and ENVIRONMENTAL ORGANISATION?			
ARE THE SECURITY ASPECTS OF THE LOCATION ASSESSED AND MANAGED			
IS THE EMERGENCY PLANNING, INCLUDING A VISIBLE EVACUATION PLAN, ADEQUATE?			
IS THE PERSONAL PROTECTIVE EQUIPMENT (PPE) READILY AVAILABLE AND ADEQUATE?			
HAVE ALL KNOWN OCCUPATIONAL HEALTH HAZARDS BEEN IDENTIFIED AND ARE THESE MANAGED AND MONITORED ADEQUATELY?			
ARE ENVIRONMENTAL CONTROLS ADEQUATE?			
ARE COMMUNITY AND SOCIAL MATTERS ASSESSED AND MANAGED RESPONSIBLY?			
IS SAFETY RELATED TO TOOLS AND MACHINERY ACCEPTABLE?			
IS STORAGE AND STACKING OF EQUIPMENT AND MATERIALS ACCEPTABLE? (ESPECIALLY HAZARDOUS MATERIALS)			
IS THE LEVEL OF ELECTRICAL SAFETY ACCEPTABLE?			
IS THE LEVEL OF SAFETY WITH VEHICLES AND DRIVING ACCEPTABLE?			
IF AVIATION SERVICES ARE USED, HAVE APPROPRIATE SAFETY STANDARDS BEEN APPLIED AND ASSURED?			
ARE ALL ASPECTS OF FIELD CAMPS AND OFFICES ACCEPTABLE RE HSEC?			
ARE WORK SITES SAFE AND OPERATIONS CONDUCTED ACCORDING TO HSEC POLICY?			
ARE CONTRACTORS AWARE OF AND ADHERING TO HSEC POLICY?			
ARE DRILLING OPERATIONS CONDUCTED IN ACCORDANCE WITH HSEC POLICY?			

Element of System / item	Yes	No	Comment
ARE GEOPHYSICAL OPERATIONS CONDUCTED SAFELY AND IN AN ENVIRONMENTALLY RESPONSIBLE MANNER?			
ARE THE PROJECT HSEC INSPECTIONS & AUDITS AVAILABLE FOR REVIEW?			
IS HSEC A MEETING AGENDA ITEM, WITH MINUTES AVAILABLE? IS THERE EVIDENCE OF WORKFORCE INVOLVEMENT?			
IS THERE AN ACCIDENT/INCIDENT REPORTING & INVESTIGATION PROCEDURE?			
ARE REPORTS, INVESTIGATIONS, AND CORRECTIVE ACTIONS READILY AVAILABLE FOR REVIEW?			

*The Exploration and Development HSEC Manual should be used as a reference material for this checklist.*

*Signed:*

<i>Argentex</i>	<i>Partner</i>	<i>Contractor</i>	<i>Other</i>
.....	.....	.....	.....

## **Annex B**

### **Argentex Emergency Response Procedure**

Argentex has developed an Emergency Response Plan (ERP) for their exploration site in Argentina. The ERP exists to help Argentex respond quickly and effectively in the event of an emergency and includes a list of contact information for key Argentex personnel. A copy of the ERP is kept on site and in Argentex's head office.

The ERP is not presented herein due to the confidential nature of the contact information provided.

If there is a need to gain access to portions of the ERP please contact Ken Hicks, President, at 1-604-568-2496 (office) or 1-604-723-8367 (mobile).

## **Annex C**

Contractors and Suppliers:

Health Safety and Environment (HSE) Requirements

## **CONTRACTORS AND SUPPLIERS:- HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS**

### **Introduction**

Contractors and suppliers shall ensure that they have the ability to conduct work in a manner which meets, or exceeds the HSEC Policy and rules of the Company. Company HSEC Policy requirements shall be stipulated in Contracts and once these are accepted and signed all Contractors and Suppliers shall be party to the implementation of such policies.

On initiation of work programmes Contractors and Suppliers will be briefed on procedures and thereafter shall ensure that they hold regular briefings of their own personnel and that procedure for the reporting of incidents is followed.

Details of procedures applying to contractors, as well as all Company employees, are outlined below.

### **A. The Company's Current Health and Safety Requirements**

The Contractor represents that it has read and understands Company's Safety Policy and requirements as set forth in this Schedule.

The Contractor shall ensure that its employees, agents, permitted sub-contractors (collectively Contractor's "personnel") strictly adhere to all safety requirements set forth herein.

#### **1. Safety Regulations**

The Contractor shall ensure that he/she and all Contractor personnel will, at all times, strictly observe and comply with all Company and Government safety regulations and requirements which are applicable to the Services.

#### **2. Safety Plan**

Contractor shall perform the Services in accordance with a safety and emergency plan which shall include regular safety meetings, appropriate safety and occupational training for Contractor's personnel, standards for accident and near-miss reporting, use and maintenance of safety equipment, emergency action and drills to familiarize Contractor's personnel with emergency procedures.

#### **3. Safety Instructions**

Contractor shall ensure that all Contractor's personnel arriving at the Site are properly instructed in the safety plan, safety training, and first aid prior to their commencing work.

#### **4. Safety Meetings**

Contractor's Representative shall be in charge of and responsible for safety and safety related matters with respect to the provision of Services at each Site and shall convene monthly meetings of Contractor's Personnel to discuss and consider safety aspects relating to provision of the Services. Contractor's Representative shall keep complete and accurate minutes of each meeting, signed copies of which shall be forwarded to Company's

Representative. Contract's Representative shall attend safety meetings as required by Company.

Contractor's Personnel, at Contract's sole cost and direction, shall be given safety job – related and survival training required by law, Company's Safety Policy, and good practices, prior to their commencing any work.

**5. Access Denied**

Company may refuse access, without charge or penalty to Company, to the Site of any or all of the Contract's personnel who, in Company's best judgement do not comply with Company's Safety Policy and requirements.

**6. Equipment Safety**

The Contract shall ensure that its machinery, tools, and equipment used in performing the Services are and remain in good and safe operating condition; that they are operated in accordance with safe operating practices; and that all dangerous or moving parts (including but not limited to chains, belts, sprockets, shafts, couplings and clutches) are adequately covered with safety guards to prevent accident or injury. All machinery or equipment to be repaired shall be isolated before repairs are affected.

**7. Safety Inspections**

Contractor's Representative shall conduct regular safety inspections of all machinery, tools, and equipment and immediately report any deficiencies to Company's Representative.

**8. Health**

Medical conditions, which may affect a person's ability to perform work contemplated herein, shall be reported to Company's Representative prior to the start of such work.

Company shall not be responsible for the medical care of Contractor's personnel.

Contract shall require Contractor's personnel to maintain the highest standards of hygiene.

**9. Safety Equipment**

The Contractor shall require and provide:

- (i) a first aid kit appropriate for the number of personnel in the area, which shall be provided to every support vehicle. Contractor's personnel must know the location and use of these kits. One drill crew member shall be delegated the task of regularly checking and restocking the first aid kits; and
- (ii) emergency communication equipment satisfactory to Company's Representative.

## 10. Safety Procedures

The Contractor shall require and provide that:

- (i) a portable fire extinguisher of an approved type and size be conspicuously mounted on every support truck and heavy equipment. All personnel vehicles shall contain an automotive type fire extinguisher approved by Company's Representative. Extinguisher must be checked regularly and refilled or replaced immediately after use. All personnel on Site must be familiar with the location and use of these extinguishers;
- (ii) seat belts to be worn at all times by personnel in vehicles traveling on or off road in Company's area of Operations including the site;
- (iii) vehicles shall employ headlights at all times when in transit (day and night);
- (iv) the Site to be kept clean and tidy, and equipment and walkways to be kept free of grease, oil and other hazards;
- (v) flammable materials such as diesel, petrol, oils and gas cylinders to be isolated and stored in a cleared area designated by Company's Representative;
- (vi) the use of toxic additives to be avoided wherever possible;
- (vii) all electrical generators, appliances, fittings, power leads and power tools at the Site to conform to standards approved by Company's Representative;
- (viii) the wooden handles of hand tools, such as axes, sledge hammers, shovels, picks, rakes etc., used in connection with the Services, to be properly secured and free of splinters;
- (ix) oxygen, acetylene, and propane bottles used in connection with the Services to be properly secured in an upright position at all times.

## 11. Safety Reports

The Contractor shall provide Company with prompt and full reports of all accidents and incidents arising from performance of the Services which have caused or potentially could cause personnel safety to be threatened. Initial reports will be made verbally as soon as possible and confirmed in writing as soon as practicable following the incident or accident. The Contractor shall provide a weekly safety report which shall include:

- (i) man hours worked during the week;
- (ii) number of incidents for the week wherein safety standards were in jeopardy of breach; and
- (iii) number of days since last Lost Time Injury.

## **B. The Company's Environmental Requirements**

### **1. Compliance**

The Contractor shall be aware of and comply with:

- (i) all relevant federal, state, provincial and local laws and regulations relating to the environment;
- (ii) Company's Environmental Policy which is part of this Schedule, and which Company reserves the right to amend at any time;
- (iii) all environmental stipulations contained herein, or as may subsequently be issued in writing by Company's Representative.

### **2. Operational Procedures**

The Contractor shall perform its work in a manner intended to protect the environment and the property rights of others. The following procedures shall be followed by Contractor:

- (i) vehicles shall be restricted to established roads or tracks where possible, and shall, as far as practicable, follow contours where tracks are not available;
- (ii) oil spills shall be avoided and accidental spills confined;
- (iii) noise shall be kept to a minimum;
- (iv) disturbance to stock and wildlife shall, as far as is practicable, be avoided.

### **3. Damage to Property**

Contractor shall conduct all activities in a manner intended to prevent damage to livestock, crops, timber, cultivated fields, roads, trails, gates and fences. Contractor shall establish and maintain close communication with landowners regarding any proposed activity on the affected lands.

### **4. Fire**

To reduce the risk of fire at the Site, the Contractor shall:

- (i) store fuel and other flammable items away from working machinery, preferably in a cleared area;
- (ii) ensure that suitable firefighting equipment is carried by the Contractor at all times;
- (iii) establish and enforce a fire prevention and fighting policy and take appropriate measures to control any fires on or around the site.

**Annex D**

Guidelines for Field Safety Meetings

## **GUIDELINES FOR FIELD SAFETY MEETINGS**

Due to the nature of exploration activities, the majority of our work sites and environments are constantly changing and moving. Our use of contractors adds to the number of on-site personnel who are coming and going. Effective safety meetings are probably our best forum to discuss important and changing issues, and keep all personnel up to date.

### **OBJECTIVES**

Safety meetings should be viewed as a positive and constructive step towards raising and solving safety issues and promoting safety awareness in general. They are also an ideal opportunity to make new on-site personnel aware of local procedures.

### **FORMAT**

Informal meetings are the only practical format for meetings in the field. At exploration sites, these may be referred to as “toolbox talks”. A non-threatening environment will assist in promoting active discussion by all participants. Meetings should be held regularly (at least monthly and preferably more often). Even if there are only two people on site, a safety meeting should still be held.

Safety meetings are not just for the Company's employees. Contractors must be involved whenever they are on site. Contractors should hold safety meetings even if there are no Argentex employees present. The contractor crew chief then needs to forward the minutes to an Argentex representative.

### **AGENDA**

A basic agenda should include:

- safety matters arising since the previous meeting
- action taken on matters arising from previous meetings (Note - minutes of previous meeting required)
- recent incidents or near-miss situations;
- possible problems with and improvements to current procedures
- relevant safety issues from elsewhere in the department.

Attached is a pro-forma with basic items as headings (Note: these should be regarded as prompts for further discussion).

### **IMPORTANT ASPECTS OF MEETINGS**

- Be prepared
- Somebody should act as Chairperson (usually the geologist or crew chief), although this job should be rotated
- All suggestions, ideas and comments should be considered
- Keep discussion flowing
- Keep the meeting constructive and positive – derive maximum value from the discussion
- Meetings are a forum for sharing ideas
- Encourage and allow all attendees to be involved in discussion
- All participants have something important to contribute
- Minutes can be brief as long as the important discussion points are recorded

- ❑ Use questions to provoke thought and discussion - encourage interaction
- ❑ Ensure all participants understand any decisions or resolutions
- ❑ Recap and clarify what action will be taken and by whom.

#### WHAT NEEDS TO BE RECORDED?

- Date
- Location
- Attendees (indicating chairperson)
- Agenda items – decisions reached, follow-up required, person responsible for follow-up.

#### **DISTRIBUTION**

- Minutes should be forwarded to the Program/Project Leader or Safety and Environment Representative for the Project
- Important and relevant issues should be distributed to other groups in the Exploration Department.

#### **TOPICAL ISSUES**

Consider raising topical issues (or particular local themes) each meeting. These might include:

- ❖ “Dehydration”
- ❖ “Livestock Awareness” – if working in areas where this could be an issue
- ❖ “Drill Rig Safety” – at the start of a drilling programme

“Chance Finds” – procedures for chance archaeological discoveries



**SAFETY STATISTICS REPORT**

**DIVISION:** .....

**MONTH/YEAR:** .....

**LOCATION:** .....

	<b>COMPANY EMPLOYEES</b>	<b>CONTRACTORS</b>
1. NUMBER OF EMPLOYEES		
2. TOTAL HOURS WORKED		
3. TOTAL NUMBER OF FATALITIES		
4. NUMBER OF DISABLING INJURIES		
5. NUMBER OF LOST TIME INJURIES		
6. LOST WORK DAYS		
7. NUMBER OF TOTAL INJURIES		
8. NUMBER OF NEAR MISSES		
9. PROPERTY DAMAGE ACCIDENTS		
10. PROPERTY DAMAGE COSTS (LOCAL)		
11. <b>DATE OF LAST LTI</b>		

12. LOST TIME ACCIDENTS AND OTHER SIGNIFICANT INCIDENTS

13. PROPERTY DAMAGE ACCIDENTS AND ASSOCIATED COSTS IN LOCAL CURRENCY

14. SAFETY ACHIEVEMENTS

15. SAFETY INITIATIVES