

**SUMMARY AUDIT REPORT**  
for the December 2006  
International Cyanide Management Code Audit



**Prepared for:**  
**Round Mountain Gold Corporation**  
Round Mountain, Nevada  
(a Kinross Gold USA, Inc. /Barrick Gold Corporation joint venture)

**Submitted to:**  
**International Cyanide Management Institute**  
1200 "G" Street NW, Suite 800  
Washington, D.C. 20005

**FINAL**  
**19 April 2007**

**Environmental Resources Management**  
915-118<sup>th</sup> Avenue Southeast, Suite 130  
Bellevue, Washington 98005  
T: (425) 462-8591  
F: (425) 455-3573  
[www.erm.com](http://www.erm.com)



## SUMMARY AUDIT REPORT

**Name of Mine:** Round Mountain Mine

**Name of Mine Owner:** Kinross Gold USA, Inc. /Barrick Gold Corporation  
(a 50/50% joint venture)

**Name of Mine Operator:** Round Mountain Gold Corporation

**Name of Responsible Manager:** Bill Goodhard, Vice President & General  
Manager

**Address:** Round Mountain Gold Corporation  
P.O. Box 480  
Round Mountain, Nevada 89045

**Telephone:** 775 377-2366

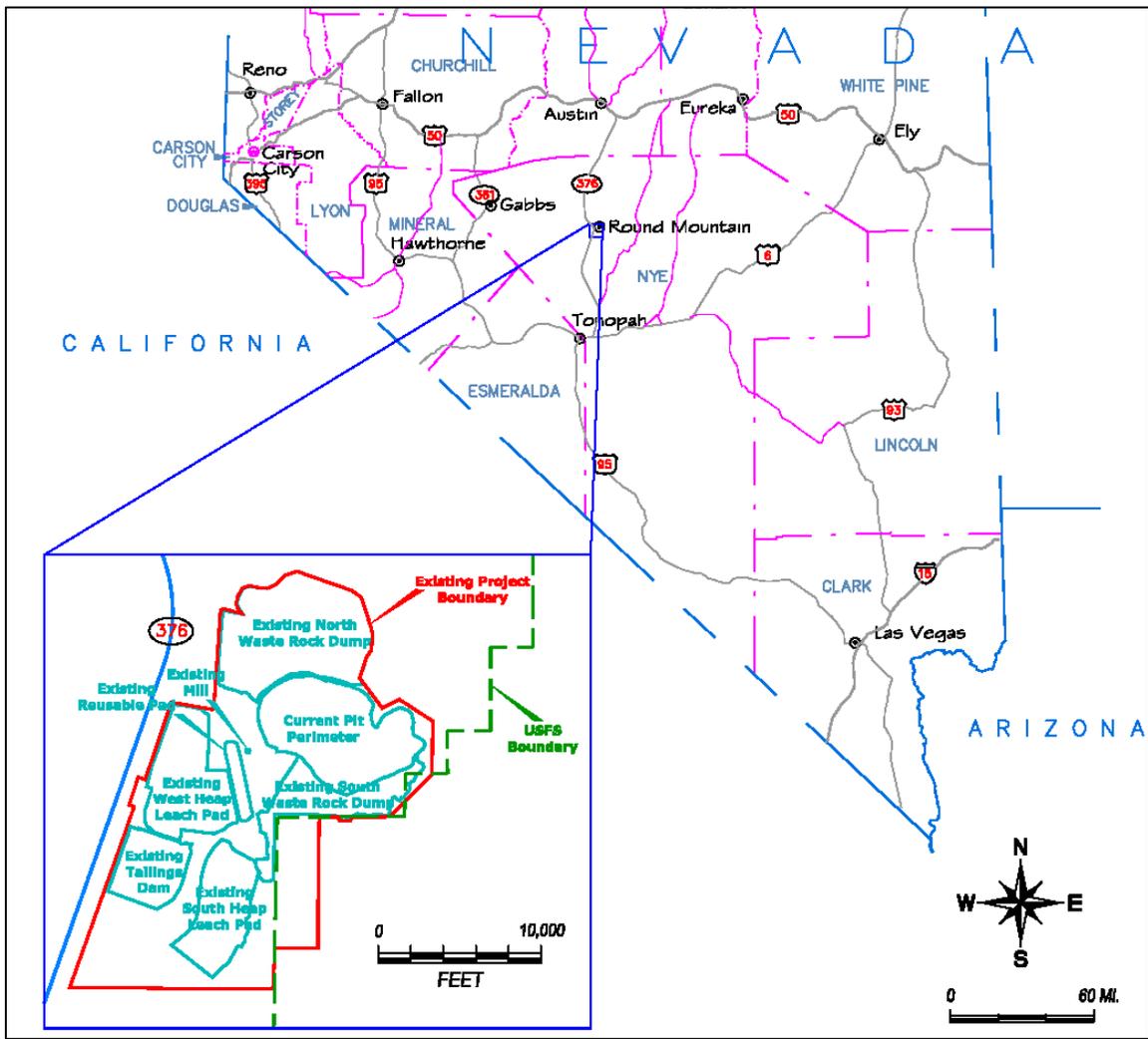
**Fax:** 775 377-3338

**E-mail:** [bill.goodhard@Kinross.com](mailto:bill.goodhard@Kinross.com)

### **Location detail and description of operation:**

The Round Mountain mine is a large, conventional open pit and heap leach operation located in Nye County, Nevada, USA, just off State Highway 376, approximately 50 miles south of the junction with State Highway 50. As shown in Figure 1, the mine is located on the eastern side of the Big Smoky Valley, near the old town of Round Mountain. The subdivision of Hadley is located approximately two miles to the southwest of the mine, and contains approximately 1000 residents. The mine operates on land privately owned by Round Mountain Gold Corporation (RMGC) as well as land managed by the US Bureau of Land Management (BLM) and US Forest Service (USFS). The mine experiences 5-7 inches of precipitation annually. There is no perennial surface water, and distance to groundwater ranges from 180 to 425 feet below ground surface. Pit operations have created a cone of depression in the water table, and it is expected that the pit will serve as a hydraulic sink upon closure.

Mining has occurred at or near the Round Mountain property since 1906, and ownership of the property has changed many times. In 1975, the Smoky Valley Common Operation was formed to operate the mine. This was initially a joint venture in which Copper Range Co. held a 50% interest and Felmont Oil Co. and Case Pomeroy Co. each held 25%. Commercial production under this ownership



**Figure 1: Location of Round Mountain Mine**

scenario commenced in 1977. In 1984, Homestake Mining Company (Homestake) acquired the Felmont Oil interest in the operation. Echo Bay Mines Inc. (Echo Bay) acquired the Copper Range interest in 1985. In 2000, Homestake acquired the Case Pomeroy interest, increasing its stake to 50%. Barrick Gold Corporation completed a merger with Homestake in 2001, thereby acquiring Homestake's 50% interest. Echo Bay merged with Kinross Gold in 2003.

The current ownership is a 50/50% joint venture between wholly-owned subsidiaries of Kinross Gold USA, Inc. (Kinross) and Barrick Gold Corporation. The Smoky Valley Common Operation now constitutes a partnership between RMGC (a wholly owned subsidiary of Kinross), Homestake Nevada Corporation

(a wholly owned subsidiary of Homestake Mining Company, which is owned by Barrick Gold Corporation) and BaRGOLD (also a wholly owned subsidiary of Homestake Mining Company, owned by Barrick). Kinross executes operational responsibilities on behalf of the joint venture, via the RMGC subsidiary. The mine currently employs approximately 650 people.

The ore deposit at the Round Mountain mine contains an unusually diverse range of ore grades, which are extracted through:

- gravity separation of coarse gold;
- mill concentration of higher grade sulfide ore via a gravity process, followed by carbon-in-leach(CIL) cyanide leaching of the concentrate;
- cyanide leaching of higher-grade oxide ore on two reusable heap leach pads; and
- cyanide leaching of lower-grade oxide ore on two large (West and South) dedicated heap leach pads.

The mill process includes an INCO cyanide detoxification process that reduces weak acid dissociable (WAD) cyanide concentration to approximately 10 ppm in the lixiviation tailings, which is further diluted by the gravity (non-cyanide) process tailings stream. The combined mill tailings are directed to a large, high-density polyethylene (HDPE) lined tailings management facility with an embankment design that incorporates a seepage collection and return system. WAD cyanide values as measured in the deposited tailings are typically 2-3 ppm or less. Gold and silver extracted through lixiviation is refined as doré bullion (roughly 50% gold, 50% silver). Current projections for permitted mine life is 2015. However, planning is in effect to initiate mining at a deposit several miles north of the current mine) and to expand and deepen the existing pit. If market conditions support development, mine life may be extended to 2021.

**SUMMARY AUDIT REPORT**  
*Auditors' Finding*

The operation is:     in full compliance  
                           in substantial compliance  
                           not in compliance

with the *International Cyanide Management Code*.

**Audit Company:**   ERM-West, Inc.  
                          915 - 118th Avenue SE, Suite 130  
                          Bellevue, Washington 98005 USA

**Audit Team Leader:** John Lambert   e-mail: [john.lambert@erm.com](mailto:john.lambert@erm.com)

**Names and Signatures of other Auditors**

Robert Richins      *Robert T Richins*

Glenn Mills          *Glenn Mills*

**Date(s) of Audit:** 11 through 15 December 2006

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanide 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.



**KING COUNTY, STATE OF WASHINGTON**  
On 4/19/2007 before me, the undersigned,  
a notary public in and for said County and State, personally  
appeared John T. Lambert  
proved to me on the basis of satisfactory evidence to be the  
person(s) whose name is/are subscribed to this instrument  
and acknowledged that he/she executed the same  
James E. Curran NOTARY PUBLIC

Round Mountain Mine      [Signature]      April 19, 2007  
Name of Mine                      Signature of Lead Auditor                      Date

## SUMMARY AUDIT REPORT

**1. PRODUCTION Encourage responsible cyanide manufacturing by purchasing from manufacturers who 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  
                                  in substantial compliance  
                                  not in compliance      ...with Standard of Practice 1.1

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

RMGC purchases liquid sodium cyanide from Cyanco's manufacturing facility in Winnemucca, Nevada. Cyanco is certified to the International Cyanide Management Code (ICMC). The current sales contract with RMGC requires both parties to achieve and maintain certification to the Code; an updated sales contract that further refines both parties' commitment to Code compliance was negotiated during the audit. ICMC certification attests to the acceptability of Cyanco's cyanide management practices.

**2. TRANSPORTATION Protect communities and the environment during cyanide transport.**

### *Standards 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.**

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

The operation is:  in full compliance  
 in substantial compliance  
 not in compliance ...with Standard of Practice 2.1.

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

Cyanco is responsible for delivery of liquid sodium cyanide Freight on Board (FOB) to the discharge couplings on RMGC's onsite solution storage tanks. RMGC takes formal possession of the cyanide at the point of discharge.

Cyanco's manufacturing plant is in Winnemucca, Nevada. No international shipments are made, and US Department of Transportation (DOT) regulations apply. All trailers are owned by Cyanco and are designed to meet or exceed DOT standards for the transportation of dangerous chemicals, as well as all appropriate hazardous materials labeling required for shipment with in the US. Cyanco has a separate contractual agreement with Transwood (also headquartered in Winnemucca, and also certified to the ICMC). Transwood provides tractors to Cyanco's specifications; Cyanco provides appropriate hazard recognition and emergency response training for the Transwood drivers. All actions are governed by the contract between Cyanco and Transwood and the management practices leading to their individual certifications under the ICMC. Deliveries are made via the most direct route from Winnemucca to Round Mountain (I-80 east to Nevada State Highway 305, south to Austin, east on State Highway 50, and south to Round Mountain on State Highway 376). Transportation time to the site is approximately 4 hours. RMGC staff weigh the trailers upon entry to and departure from the site, witness the coupling and uncoupling of the Cyanco tanker, and sign the bills of lading that formally transfer custody to RMGC.

**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  
 in substantial compliance  
 not in compliance ...with Standard of Practice 2.2.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

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

Cyanco's current sales agreement with RMGC and their subcontract agreement with Transwood both require certification to the ICMC. ICMC certification attests to the acceptability of Transwood's cyanide management practices. RMGC personnel sign and receive copies of a bill of lading form provided by the Transwood driver that presents the full chain of custody from loading at Cyanco's production facilities to delivery at RMGC. Transwood is the only transporter used in the delivery process.

**3. HANDLING AND STORAGE Protect workers and the environment during cyanide handling and storage.**

*Standards of Practice*

**3.1 Design and construct unloading, storage and mixing facilities consistent with sound, accepted engineering practices and quality control and quality assurance procedures, spill prevention and spill containment measures.**

The operation is:             in full compliance  
    in substantial compliance  
    not in compliance ...with Standard of Practice 3.1.

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

Cyanide is purchased exclusively in liquid form; no mixing is performed onsite. All storage tanks are located in the open air, and have been designed specifically for cyanide use, to Cyanco's specifications. Cyanide storage tanks are placed on HDPE pads, are constructed within bermed concrete impoundments, or are placed on concrete pads sloped towards impermeable impoundments. All tanks are located behind security fencing, and are located away from other chemical storage areas, physically separated from other chemicals by concrete berms or barriers. Tank filling requirements are remotely monitored by Cyanco, who manages the filling schedule as part of its contract. Remote tank level indicators are also monitored by the RMGC process operators. Control systems include audible and visual high level alarms. Spill cleanup kits, emergency eyewash and shower stations, and

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

emergency medical supplies (including breathing oxygen and cyanide antidote kits) are located adjacent to all cyanide storage areas.

These requirements were verified via physical examination of all offload storage areas, review of tank and containment volume data, and by witnessing of tank offloading/filling operations. The adequacy of these facilities was also recently subject to independent engineering evaluation.

It should be noted that the RMGC mine site is not adjacent to, nor does it contain perennial surface water features, and is located in a remote rural area. The subdivision of Hadley is located approximately two miles to the south and west of the leach pads and other cyanide facilities.

**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  
                                   in substantial compliance  
                                   not in compliance ...with Standard of Practice 3.2.

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

All cyanide is delivered in liquid form; cyanide trucks depart the site immediately after tank filling activities. No empty cyanide trailers are permitted to remain on site. Quick-release couplings are provided for cyanide offloading; the cyanide trailer is specially designed for cyanide service, and contains features intended to minimize the potential for any spills. The trailers contain pressurized valve systems and emergency knockoffs that, when activated, will instantly close all valves in the event of a spill. Drivers are well-trained, don appropriate personal protective equipment (PPE) when connecting, unloading, and disconnecting operations, and are witnessed by RMGC operators from a safe distance during connection and disconnection.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

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

*Standards 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  
                                       in substantial compliance  
                                       not in compliance    ...with Standard of Practice 4.1.

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

A series of operating and management documents have been developed by RMGC that describe procedures for unloading, mixing and storage, leach plants, heap leach operations, tailings impoundments and cyanide treatment, regeneration and disposal systems. Most of these practices have been in use for many years and have been periodically updated. Such practices include a wide range of departmental "task cards", the *Process Fluid Management Plan* (a section of the current Water Pollution Control Permit with Nevada Department of Environmental Protection (NDEP), and other ancillary documents. RMGC has also recently prepared an overarching *Cyanide Management Plan*, structured to correspond to the major sections and subsections of the Code, which describes the application of existing operating and management documents to address specific Code requirements. The *Cyanide Management Plan* also invokes management of change standards drawn from Kinross Gold corporate environmental and health and safety management system (EHSMS) requirements as well as the continuous improvement provisions of the RMGC Environmental Management Procedures Manual. At the facility level, training cards and other operational instructions govern all cyanide management activities; training cards also serve as a means of positively documenting individual training actions.

RMGC employs a thorough program to manage the toxic characteristics of cyanide. The INCO cyanide destruction process is employed at the mill; concentrations of WAD cyanide in the tailings pond are in the range of 2-3 ppm, well below permit requirements. "Live" ponds and solution ditches are equipped with appropriate fencing, netting, and/or bird balls, as required

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

by applicable state permits. The tailings pond and open solution ponds are regularly monitored and data reported to the State of Nevada per permit requirements. Drip emitters are used for cyanide application to the heaps, which minimizes the potential for bird and wildlife mortality issues.

Currently approved plans and preventive maintenance procedures provide necessary guidance for the safe and environmentally sound operation of cyanide facilities. RMGC also employs a risk assessment process, which is designed to weigh subjective worker and environmental risk associated with operational activities and process or facility changes, and involves 1) defining the action to be taken and the potential that it could result in a higher likelihood for a cyanide release, 2) responsibility for monitoring implementation of the action or activity, and 3) a timeline or schedule for monitoring possible effects.

A preventative maintenance schedule for mill operations is also in place. Cyanide tank solution levels are continuously monitored, and inspections of tanks, liners, pumps, safety equipment, and containment are conducted on a regular basis. Procedures are also established to correct any upsets in the facility's water balance. The procedures address both normal and unusual operations for each of the processing facilities; corrective action is based on freeboard conditions in the solution ponds by limiting new water into the process system. The procedures to be taken are additive and ultimately involve discharge of excess process solution to the lined storm/event pond(s). Temporary containment can be progressively added in extreme situations, and storm event ponds have significant excess capacity over and above the 100-year, 24-hour storm event.

Cyanide facilities are inspected on a daily basis by the Process Group operators, and monthly by the Process Superintendent. These inspections are documented, along with hazards found and actions taken. Cyanide tanks are inspected monthly for structural integrity and corrosion. Secondary containment systems are also inspected for fluid presence vs. allowed volume and hazard conditions. Pipelines, pumps, and valves are also routinely inspected following unloading of process solution, and in the process areas. These inspections occur at least once per shift, and record condition of facility, inventory of lime and flocculants, antiscalants, and other related chemicals. Leak detection monitoring is performed on a weekly schedule; a series of leak detection ports are installed at the Reusable Pads, cyanide solution pipelines and conveyance ditches, and the Dedicated

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

Pads. Records are also kept of average solution accumulation. Inspections are documented and records maintained for one year.

Preventative or planned maintenance practices are in place at both the mill and cyanide leaching and recovery facilities. Inspections are conducted every 28 days. Deficiencies are noted and corrective action undertaken as required; typically, this involves issuance of a work order with job and safety instructions, and a completion sheet that must be signed by a foreman of that group. Records are also maintained regarding equipment history for one year, and are cross-referenced with any applicable work orders.

With respect to emergency storage of process solutions (storm design criteria) and emergency power generation, RMGC relies principally on excess pond capacity to mitigate unintentional releases of process solution. Ponds are designed for 24 hours of draindown during an unexpected power outage, plus the 100-yr. 24-hour storm event (2.5 inches of precipitation), plus freeboard. Dedicated storage capacity is maintained in the pond system at all times to meet these design criteria. RMGC also has backup generators that can be placed where needed in the event of an emergency. Task cards for plant operators require backup HCN monitoring in the interiors of the Dedicated Plant and ADR plant in the event a power outage occurs.

#### **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  
                                  in substantial compliance  
                                  not in compliance ...with Standard of Practice 4.2.

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

RMGC operates both dedicated and on-off heap leach facilities and a milling operation. Gravity separation/concentration is also involved in the overall processing scheme. After cyanide neutralization, leach circuit tailings combine with thickened concentration tailings and routed to the impoundment.

Ore characteristics are such that significant variations in cyanide use do not occur. Various approaches to cyanide addition have been tested. Currently,

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

the strategy used by the operations is to control cyanide addition by monitoring solution concentrations through manual titration of samples of solution every two hours. Rates are adjusted accordingly. This analysis forms the basis for cyanide addition and/or adjustment, as well as pH control. The stated goal is to optimize cyanide use, with a pH 10 target. Cyanide use rate is typically 1.4 pounds per ton of ore. Mill process guidelines are also incorporated that establish appropriate set points and minimum/maximum operational values for pH and cyanide concentration.

**4.3 Implement a comprehensive water management program to protect against unintentional releases.**

The operation is:             in full compliance  
                                       in substantial compliance  
                                       not in compliance    ...with Standard of Practice 4.3.

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

A comprehensive water balance has been developed for the operation. At the time of the audit, water management was described in the approved Fluid Management Plan, which considers process facilities, normal operations and unusual operations, and effective operating criteria, all constructed around freeboard and zero discharge criteria for each operation. These include well-defined procedures for the operators to follow, based upon progressively higher risk factors measured as freeboard.

The water balance is currently being updated using a widely recognized mathematical model which considers flow, pond storage, evaporation, precipitation, ore and tailings uptake, storm events, stochastic precipitation, power outage (up to 5 days), and other parameters; it was being calibrated at the time of the audit and RMGC will begin to use the model in January 2007. Key objectives of the model are: 1) to unauthorized discharges to the environment; 2) minimize water use; and 3) position the overall water balance to provide the most efficient closure strategy. The updated water balance, when completed, will also be capable of addressing variable and unpredictable operating scenarios. Climatological, historical water use, stormwater management, and pit dewatering data are also considered, as well as operational flow rates and existing water inventories (including the tailings facility). Evaporation, freeze-thaw effects, effects of power outages,

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

and other variables are designed into the model, as are ore and tailings uptake, pond storage, and water entrainment in the tailings. The updated water balance considers evaporation, precipitation, solution rate, a 100 yr 24 hr. storm event (2.5 inches), a worst case power outage of 5 days, in-heap storage, and important day-to-day operations. It will also simulate temporary closure actions. The final model will be deployed to the site for use by all affected departments. Data will be linked to a spreadsheet and ultimately to the database.

Current operating procedures in the Process Fluid Management Plan are designed to prevent overtopping of ponds and the tailings impoundment, which have very significant reserve capacity. RMGC also measures daily precipitation and accounts for evaporation. These data were provided to support design of the new water balance model.

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

The operation is:       in full compliance  
                                  in substantial compliance  
                                  not in compliance ...with Standard of Practice 4.4.

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

Use of sprinklers on heap leach pads was discontinued in 1991, which generally eliminates overspray issues. Currently a drip-emitter system is employed, and a pilot program is in effect to evaluate the feasibility of buried emitters for both the reusable and dedicated pads (note: the reusable pads already use buried emitters). Pressure checks are also conducted as the basis for the adjustment of leach pad solution application. Pad operators also make field observations to identify any areas of solution ponding and take immediate corrective action.

Monitoring records show that no wildlife mortalities were observed in relation to the tailings facility; other mortalities are extremely rare, and have decreased steadily since 2000 due to the increased use gravel-filled recovery ditches, better management and experimental burial of drip emitters to reduce ponding, use of frame nets and bird balls, propane cannons near pond areas, and other methods that are employed in combination with a

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

rigorous monitoring program to prevent contact with process water. Fences have also been installed to prevent ingress by larger animals. The INCO cyanide destruction facility results in tailings pond solution levels in the range of 2-3 mg/l WAD cyanide. Solution concentrations in process ponds may range higher than 50 mg/l WAD cyanide, but are not considered open waters, as they are fully protected by bird balls.

**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  
                               in substantial compliance  
                               not in compliance ...with Standard of Practice 4.5.

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

This Standard of Practice is not applicable, as the RMGC project does not discharge to surface water. There are no perennial streams or other surface waters within the permitted area of the site, and there are no discharges of cyanide-contacting water to the environment. The site is located at least seven miles from any surface water, the closest of which are up-gradient from the mine site. The U.S. Army Corps of Engineers has also formally determined there are no jurisdictional wetlands affected by the project.

**4.6 Implement measures designed to manage seepage from cyanide facilities to protect the beneficial uses of groundwater.**

The operation is:      in full compliance  
                               in substantial compliance  
                               not in compliance ...with Standard of Practice 4.6.

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

Groundwater use in the permitted area of the RMGC mine site is protected for domestic, mining and milling, and stock watering uses. Monitoring data indicate that the Maximum Contaminant Level (MCL) for cyanide, as specified in EPA's Safe Drinking Water Standard of 0.2 mg/l WAD cyanide, has not been exceeded. WAD cyanide concentrations in all groundwater

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

monitoring wells were nondetectible (i.e., less than 0.01 mg/l). The water table at the site is very deep, varying from 160 feet in the valley fill to 415 feet near the range front. In the area of the mine pit and cyanide process facilities, a cone of depression is developing and groundwater levels vary from 300-400 feet below the surface.

Groundwater protection measures employed at the site include:

- synthetic lining of tailings impoundment;
- lining (synthetic and natural) the pads and ponds according to the State of Nevada Groundwater Protection Regulations;
- routine groundwater quality and leachate monitoring;
- employment of leak detection systems for buried and aboveground process solution supply and return lines, as well as leak detection and recovery systems between the process pond liners;
- routine surveillance of the leaching and milling operations by the operators and superintendents at the process facilities; and
- full containment at cyanide unloading and storage facilities.

Semiannual sampling results for both the leak detection and recovery systems for these facilities (as well as nine groundwater wells) do not indicate any detectable seepage of leach solution.

The RMGC project is primarily a large open-cast surface mine. In late 2005 an underground exploration adit was begun. However, current operating procedures do not permit the use of mill tailings for backfill, and there will therefore be no impact to groundwater from backfilling.

#### **4.7 Provide spill prevention or containment measures for process tanks and pipelines.**

The operation is:  in full compliance  
 in substantial compliance  
 not in compliance ...with Standard of Practice 4.7.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

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

RMGC has competent containment facilities, proactive operation and maintenance programs (including problem area identification and follow-up procedures with control features) and necessary human exposure safeguards and emergency response provisions. See Section 3; process solution is delivered by tanker trucks specially designed for cyanide delivery. Process solution offloading is highly organized, conducted by trained staff in dedicated solution offloading areas designed to drain to impervious impoundments. RMGC uses combined unloading/storage tanks, and does no mixing, as all cyanide is delivered in liquid form. All containments are adequately sized to hold the contents of the largest tank as well as any drain back, in addition to the 24-hour, 100-year storm event of 2.5 inches. Cyanide containments are sized to hold the contents of 110% of the largest tank in the tankage series, plus the 24-hour, 100-year storm event. Six additional dedicated interconnected storm/event ponds have also been constructed that provide over 46 million gallons of retention capacity, not counting the additional capacity from 2 feet of freeboard.

Specific written practices and procedures have been developed and implemented for prevention and containment of cyanide spills at all cyanide facilities. Within the ADR Plant, South Dedicated Plant/Booster Station, and Mill building/CIL area, concrete floors and bermed containments (sized to contain at least 110% of the volume of the largest tank within the containment) are used to capture any unintentional releases of process solution from tanks or piping systems. Cyanide offloading pads at the Mill, ADR, and South Dedicated Plant/Booster Station are designed to drain to the building containment. The offloading pads at the West Dedicated Leach Pad Phase II and Phase IV areas drain directly to the associated process ponds. With regard to containment of process solution in the West and South Dedicated Leach Pads and associated process solution pipelines, RMGC relies principally on reserve pond capacity to capture any unintentional releases of process solution. The ponds in the Ore Processing Area are designed for 24 hours of draindown during an unexpected power outage, plus the 100-yr. 24-hour storm event (2.5 inches), plus freeboard. Dedicated storage capacity is maintained in the pond system at all times to meet these design criteria; the required level of containment can be achieved by the operation without the need for back-up power generation.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

In preparation for the ICMC certification audit, RMGC conducted an independent engineering review of all cyanide management facilities, pipelines, and supporting infrastructure against the requirements of this ICMC section. Design drawings and facility specifications were reviewed by a certified professional engineer. Engineered spill prevention or containment measures were confirmed or identified for all process solution pipelines, with the single exception of the HDPE process solution supply pipelines buried along the eastern lengths of the two Reusable Pads in 1987. The design for the two pads was permitted by the State of Nevada in 1991, but the independent engineering review indicated that secondary containment had been required only for the pregnant solution return pipelines, not the process supply lines. Although the lines are continuously monitored for flow and pressure drop, and the alignment of buried portions of the pipeline is subject to at least weekly visual inspections, no methods were currently in effect to address the potential for slow leaks. Data indicate a very deep water table, however, with groundwater flow trending toward the open pit, and concentrations of cyanide that are historically non-detectable in a series of nearby monitoring wells. There was no visible indication of leakage near the ground surface. RMGC has evaluated a range of options for retrofitting this particular section of pipeline with an appropriate system for monitoring and detecting slow leaks. The selected solution involves adaptation of an electrical leak detection technology developed for HDPE geomembrane installations. A feasibility study was completed for the latter technology by a specialty contractor that indicates that this concept can be successfully adapted to RMGC's circumstances, and an expedited Authorization for Expenditure (AFE) has been approved to build, install, and test the monitoring system and train RMGC staff in its use.

In summary, RMGC has diligently evaluated the as-built characteristics of its cyanide process pipelines against ICMC requirements for appropriate leak detection capabilities, and has taken timely and appropriate actions to establish slow leak detection monitoring systems for the process pipelines on the eastern edges of the Reusable Pads. Site evaluations and data review associated with the Reusable Pads indicate:

- there is no detectible current or historical impact to groundwater or the environment;
- the depth to groundwater is very substantial;

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

- the frequency of visual inspections and pressure/flow rate monitoring is high; and
- RMGC is implementing an improved leak detection technology to enable a more rapid identification of potential slow leaks in the supply pipeline.

It is therefore the auditors' judgment that RMGC is in full compliance with the referenced requirement.

**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  
                                   in substantial compliance  
                                   not in compliance ...with Standard of Practice 4.8.

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

Quality Assurance/Quality Control (QA/QC) programs were implemented during the various construction phases of a number of RMGC cyanide facilities. These included the major construction expansions that occurred during and after 1991 including the Reusable Leach Pad, South ADR Plant, South Dedicated Plant, and Mill. However, construction QA/QC documentation were not available for some areas of the operation, many of which were constructed years before formal QA/QC programs were typically implemented by engineering and construction firms. A professional engineering firm was therefore retained to conduct an independent engineering review of all RMGC cyanide facilities, as an alternate basis for determining compliance with this element of the ICMC. Historic QA/QC construction records and as-built drawings were reviewed as part of this evaluation, as available. Recommendations for remedial action were provided and acted on that involved pond repair, improvements to the leak detection system at the east Reusable Pad (see 4.7), curbing repairs at Pond 14, and a several cold joint and concrete sump repairs.

QA/QC records have been retained and were available for leach pad construction. Appropriate construction management sign-offs were also

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

reviewed. In most cases, a third-party construction engineer was responsible for inspections and approval, along with the RMGC Engineering Manager.

**4.9 Implement monitoring programs to evaluate the effects of cyanide use on wildlife, surface and groundwater quality.**

The operation is:         in full compliance  
                                   in substantial compliance  
                                   not in compliance ...with Standard of Practice 4.9.

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

RMGC has developed a detailed monitoring plan, which describes monitoring locations, rationale, schedules, parameters, sampling, training, and other related procedures. Standard Operating Procedures (SOPs) are defined for each of these major components. The system addresses both groundwater monitoring and leak detection monitoring. Individual “task cards” are required to demonstrate that involved staff are trained and current in the monitoring programs and their requirements.

The auditors reviewed the qualifications of operational personnel responsible for developing sampling and analytical protocols for the surface and groundwater monitoring programs. These professionals have degrees in environmental science disciplines and continue to be involved in ongoing education and training. The environmental sampling manual was developed in-house by these same personnel. EPA Standard Methods for Analysis of Water and Wastewater are used. WAD cyanide analyses are also performed using standard US EPA methods.

Analytical services are subcontracted, using methods and techniques described in the laboratory’s Quality Assurance Plan. The plan addresses laboratory records and document control, test methods, calibration, sampling, sample receiving and storage, equipment and instruments, quality control, corrective action, training, ethics and confidentiality, and audits. RMGC’s chain-of-custody procedures are consistent with those used by the analytical laboratory. Procedures were likewise well-defined for groundwater sampling activities; time, temperature, specific conductance,

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

and pH are all measured in the field, along with field conditions and other influences that could affect sample integrity or quality.

As previously noted, no discharges to surface waters occur within the project area. Excess pit dewatering water may be discharged to a rapid infiltration basin, if not used for makeup water or road watering, but does not contact any surface waters nor is it used in any operation involving cyanide. Groundwater is sampled down-gradient of the mine site. Parameters, protocols, and schedules are as described by the governing permit, and include analysis for WAD cyanide. Daily wildlife inspections are compiled and reported in a quarterly report to the Nevada Department of Wildlife, and as previously noted, the operation has aggressively implemented a combination of measures to reduce wildlife mortalities associated with cyanide processing (i.e., use of bird balls in conjunction with propane cannons, gravel-covered solution ditches, frame nets, and a rigorous monitoring program to detect ponding or process solution leakage).

Water quality (groundwater) and leak detection monitoring procedures have been established and defined monitoring parameters and frequency, including bi-weekly, monthly, and quarterly WAD cyanide and other analyses. Process tanks and pipelines are regulatory monitored for leaks.

**5. DECOMMISSIONING Protect communities and the environment from cyanide through development and implementation of decommissioning plans for cyanide facilities.**

*Standards 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  
                                       in substantial compliance  
                                       not in compliance            ...with Standard of 5.1.

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

Pursuant to the requirements of its operating permit, RMGC is required to submit an annually updated Reclamation Plan to the BLM and the State of Nevada. The plan contains summaries of applicable closure methodologies

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

for cyanide facilities that are described in sufficient detail to support a projected estimate of third-party costs. A conceptual implementation schedule is incorporated into each annual Reclamation Plan update. The Reclamation Plan contains summaries of applicable closure methodologies, which are described in sufficient detail to support a projected estimate of third-party costs. Changes in decommissioning procedures may be prompted by changes or updates to the overall closure scheme, and are typically reflected in the language of the next annual update to the Reclamation Plan.

**5.2 Establish an assurance mechanism capable of fully funding cyanide-related decommissioning activities.**

The operation is:         in full compliance  
                                   in substantial compliance  
                                   not in compliance ...with Standard of Practice 5.2.

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

RMGC is required to submit an annually updated Reclamation Plan that contains summaries of applicable closure methodologies. These are described in sufficient detail to support a projected estimate of third-party costs, which results in the posting of a bond or surety with the BLM. This bond typically contains a substantial contingency (approximately \$500,000) to account for unanticipated changes that may occur in a given year. The Reclamation Plan is required to be updated annually; any required revisions that affect cyanide-related decommissioning activities will be captured. The acceptability of the bond is re-evaluated and re-approved annually.

**6. WORKER SAFETY Protect workers' health and safety from exposure to cyanide.**

*Standards 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  
                                   in substantial compliance

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

not in compliance ...with Standard of Practice 6.1.

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

Operating procedures have been established for Cyanide Safety, Monitoring and Off-loading Cyanide Deliveries, ADR Carbon Plant Operator, Dedicated Plant Operator, and Confined Space Entry. These procedures all identify cyanide exposure hazards, worker training requirements, general safety and minimum personal protective equipment (PPE) requirements, pre-work inspections, operating procedures, and requirements for equipment decontamination and emergency response.

Procedures require operators to conduct daily inspections of emergency rescue equipment, piping systems, ponds, fencing, and netting. Pre-work inspections are required prior to cyanide truck unloading that specifically includes checks of eye-wash/shower stations and other emergency response equipment. Operating procedures at the plants and mill also require pre-work inspections at the start of each shift. In addition, an environmental and health and safety risk assessment is required any time an operating practice is implemented, including non-routine maintenance operations.

Weekly tailgate safety meetings are attended by all shift workers, and provided a forum for discussing workplace safety issues and improvements. In addition, worker input is solicited annually for improving RMGC's emergency handbook.

**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  
                                  in substantial compliance  
                                  not in compliance ...with Standard of Practice 6.2.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

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

The cyanide circuit is kept at pH 10.0-10.5 to prevent generation of HCN gas in the workplace. The pH is controlled through monitoring and adjustment. This is done automatically from the control room. The pH is monitored by collecting samples every 2 hrs; if pH drops below 9.6, the pH is adjusted and Monitox readings taken until the pH is stabilized at pH 10+. Fixed gas detectors with audible and visual alarms are located in areas of the dedicated plants and mill where HCN generation is a potential concern, namely: the South Dedicated Carbon Plant, West Dedicated ADR and West Dedicated ADR control room.

Operating procedures ensure that pH is maintained and that HCN monitoring is required if pH drops below 9.6. A recent survey of HCN levels in the ADR Plant and Dedicated Plant indicated that the highest observed HCN level was 1 ppm.

Appropriate and legible warning signs are present in all cyanide storage or process areas. Piping systems were identified with labels identifying contents and direction of flow. Emergency showers, eyewash stations, emergency medical kits, and spill control kits are located in or near all operational areas involving high concentrations of cyanide, and are maintained on a regular schedule. Fire extinguishers are checked monthly by security, and a contractor is retained to check and replace or recharge fire protection equipment annually.

Material Safety Data Sheets (MSDS) binders were located in all plant areas where cyanide is handled. In addition, operating procedures and training materials/cards that detail cyanide hazards, exposure symptoms, handling precautions and first aid are kept in local operations offices. Procedures have been established to document and investigate all incidents and near misses that occur at the mine, and are documented on an online database. Review of the database entries for 2006 indicated one cyanide related incident. This was a near miss incident involving a cyanide delivery truck and a haul truck. The incident was investigated and appropriate changes were implemented; a diversion road and barrier was constructed to keep cyanide and haul truck routes separate. While road re-routing and construction was in progress, cyanide trucks were held at security until notification was provided that no haul trucks were in the vicinity of the proposed cyanide truck route.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

### 6.3 Develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

The operation is:         in full compliance  
                                   in substantial compliance  
                                   not in compliance    ...with Standard of Practice 6.3.

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

All cyanide unloading and storage areas have readily accessible emergency eyewash/shower stations and insulated or weather-protected storage lockers or cabinets containing emergency oxygen bottles, resuscitator masks and tubing, gauze-covered amyl nitrate ampoules, Tyvek suits, and instructions. Emergency kits and eyewash/shower functionality were physically inspected and tested at all cyanide offload/storage locations except for the ADR plant, as a cyanide unloading operation was underway. All personnel with cyanide management responsibilities have cell phones or access to radio communications. The Loss Control/Safety Department conducts a monthly examination of all cyanide safety kits, and keeps a database of expiry dates for antidotes and single-use oxygen canisters. First aid equipment is kept in a sealed container/cabinet, and shift workers check the seal and location daily.

Cyanide safety SOPs have been established that constitute a training requirements knowledge base for recognizing cyanide exposure and administering first aid. It addresses cyanide safety rules, exposure effects, PPE, location of emergency response kits, and application of antidote/medical treatment. All plant operators are trained in administration of the antidote, and refresher training is provided annually. Temperature-controlled refrigerators have been recently purchased to ensure that storage temperatures for amyl nitrite ampoules remain within manufacturer's' recommendations.

The mine has its own EMS staff and ambulance, and has a Memorandum of Understanding (MOU) with Nye County dispatch to make its ambulance available for tending to off-site emergencies when requested. The General Manager's approval is required to release the ambulance for this purpose, which is dependent on backup capability being available at the mine.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

RMGC also has an onsite clinic available to its employees on a Monday-Thursday basis. After hours and Friday-Sunday is covered by Nye County medical facilities in Tonopah, Nevada. Both facilities have been briefed on the potential for a cyanide related incident and have the capabilities of treating a cyanide exposure case.

**7. EMERGENCY RESPONSE Protect communities and the environment through the development of emergency response strategies and capabilities.**

*Standards of Practice*

**7.1 Prepare detailed emergency response plans for potential cyanide releases.**

The operation is:       in full compliance  
                                  in substantial compliance  
                                  not in compliance    ...with Standard of Practice 7.1.

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

RMGC has an Emergency Response Plan (ERP) that addresses all types of emergencies that could occur at the mine, including hazardous materials emergencies and cyanide response. The plan is presently under revision to incorporate proposed underground mining operations. This revision has no material impact on the existing version of the ERP.

Review of the RMGC Spill Response Plan indicates that the potential failure and release scenarios identified by the ICMC have been addressed. If a catastrophic event were to occur requiring the evacuation of the town, the evaluation and other off-site responses required would be coordinated through the Nye County Fire Department. The likelihood of a catastrophic event involving cyanide is highly unlikely, however, as the risk has effectively been eliminated or largely mitigated through the provision of ample dedicated pond emergency storage capacity and emergency power backup, as well as in-place cyanide management controls.

Cyanco has primary responsibilities for responding to releases that may occur while cyanide is in transit or being unloaded; however, the RMGC

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

Spill Response Plan indicates that the Round Mountain Fire Department's Hazmat team will also respond to an off-site shipping incident. Their response actions would be limited to delineating and securing the area and containing any release.

Because of the distance of the site from the nearest community (about 2 miles) the ERP does not detail approaches for evacuating communities. The risk of such an event is extremely low; however, in the event that such incident was to occur, provisions are made for coordinating emergency actions with Nye County, which would have primary responsibility for coordinating community evacuation efforts.

### **7.2 Involve site personnel and stakeholders in the planning process.**

The operation is:         in full compliance  
                                   in substantial compliance  
                                   not in compliance ...with Standard of Practice 7.2.

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

The workforce is actively engaged in maintaining health and safety in the workplace. Weekly tailgate safety meetings are held with operations staff. The EMS and Hazmat response teams have been included in the preparation of cyanide response protocols, and there is a specific section in the emergency response plan that addresses cyanide spill response procedures. Shift workers are trained in cyanide response.

The local community volunteer fire department is staffed predominantly with RMGC personnel. If an incident has the potential to affect the community, the RMGC security office will contact the Fire Chief who will then contact other stakeholders. It was observed that the Nye County Sheriff and the Nevada Highway Patrol participated in mock emergency exercises in July 2003 and September 2006, and have participated in RMGC cyanide hazard awareness and emergency response training. At RMGC's request, Cyanco representatives have also met with Nye County Medical Center staff to discuss cyanide related exposures and provided inductions on how to respond to cyanide exposures.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

The Environmental Department at RMGC has conducted informational meetings with the town of Round Mountain, and the Mine Executive Secretary (a long-time local resident) serves as the primary contact person between the mine and the community. The Mine Executive Secretary reports directly to the General Manager, so public issues can be addressed immediately and rectified in a timely manner.

### **7.3 Designate appropriate personnel and commit necessary equipment and resources for emergency response.**

The operation is:       in full compliance  
                                  in substantial compliance  
                                  not in compliance    ...with Standard of Practice 7.3.

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

As previously noted, Cyanco is responsible for responding to all emergencies related to the transportation of cyanide. The RMGC Loss Control department is responsible for the maintaining emergency rescue teams and support equipment for cyanide emergency responses; emergency response procedures include a matrix of responders and other key personnel for particular shifts. These teams are selected to ensure that there are personnel with sufficient skills and experience available on each shift to respond to an incident. Emergency response personnel participate in monthly mock rescue training sessions two or three times a year.

Operations require a routine shift change inspection that includes checking emergency response stations where equipment and antidote kits are stored. The shift supervisor also conducts monthly inspections. Loss Control/ Security conduct monthly inspections of the condition of all emergency kits.

As previously noted, there is a MOU between the mine and Nye County regarding cooperation in off-site emergency response. RMGC will provide ambulance service in support of an off-site incident if that ambulance is available. If an incident occurs that could impact the community, RMGC will contact Nye County, which is responsible for coordinating community response.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

**7.4 Develop procedures for internal and external emergency notification and reporting.**

The operation is:      in full compliance  
                               in substantial compliance  
                               not in compliance     ...with Standard of Practice 7.4.

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

Site emergency response contact procedures identify responsibilities for responding and reporting. The discoverer of an emergency is responsible for contacting his/her supervisor and/or security. Security is in turn responsible for broadcasting a specified emergency response tone to activate the response system over all RMGC radio channels. If necessary, security will announce a "Code Blue" alert, which halts all traffic in the mine. Security is then responsible to contact the patrol officer and a member of the Loss Control/security department (i.e., the designated on-call safety person). This person is responsible for calling the General Manager and other managers. The patrol officer arranges emergency medical team and ambulance support as required. If an injured person has to be moved off site the department manager, general manager, operations manager or his designee, and the human resources manager are notified. Other RMGC staff are authorized to contact corporate, regulatory safety compliance, regulatory environmental compliance, medical facilities, and stakeholders. The Nye County Fire Department is the first response and community contact in an emergency.

The General Manager is the official spokesman for RMGC in any emergency situation, and manages all communications with media, mineworkers and their families, and the public.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

**7.5 Incorporate into response plans monitoring elements and remediation measures that account for the additional hazards of using cyanide treatment chemicals.**

The operation is:         in full compliance  
                                  in substantial compliance  
                                  not in compliance    ...with Standard of Practice 7.5.

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

Procedures specify actions to be taken to respond to and cleaning up cyanide spills as well as general reporting and response procedures for spill clean-up. The procedures address: containment and neutralization options; containment of liquids; sampling procedures and precautions; and management and disposal of contaminated material (including response materials, wash down liquids, and used PPE). Procedures require that cyanide-contaminated soil material from spill cleanup actions be transferred to an active leach pad. Spilled solutions and carbon granules in the mill are to be recycled back in the process. Spill reports are to be reviewed by both the mill and process superintendents, depending on the department that is involved.

An SOP for collection of samples and remediation of cyanide contaminated material describes confirmatory soil sampling procedures, and addresses the use of sample kits, sample spacing, and sample management. The SOP also discusses use of hypochlorite for neutralization in cases where impacted material cannot be excavated.

Impact to drinking water supplies is not considered a risk, and the provision of alternative supply is not considered relevant to the response plan. Drinking water supply wells are a considerable distance to the west of the site, and are highly unlikely to be affected by any spills. Monitoring well data from the west side of the site show non-detectable concentrations of cyanide since monitoring was first initiated in 1987. There are no perennial surface water bodies on or adjacent to the mine site; if RMGC responds to an off-site emergency that may be near a surface water body, RMGC will limit its response to cordoning off the incident area and containing a spill pending action by Cyanco. As previously noted, Cyanco is responsible for

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

remediation of off-site releases that occur during transportation of cyanide to the mine site.

Spill response planning documents require confirmatory sampling of spills to the ground surface to ensure excavation of all contaminated soil. Records of reportable cleanup actions indicate that such sampling is being routinely performed. Procedures have been established for conducting soil sampling and analysis confirm that cleanup of a cyanide spill is complete.

**7.6 Periodically evaluate response procedures and capabilities and revise them as needed.**

The operation is:             in full compliance  
                                       in substantial compliance  
                                       not in compliance    ...with Standard of Practice 7.6.

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

Procedures require every ambulance response to be critiqued by the ambulance crew and responders to identify opportunities to improve on response. Loss Control holds monthly mock emergency exercises and debriefs to test the effectiveness of the ERP and responder responsiveness. Approximately two or three of these exercises each year will address cyanide emergency issues. In addition, the mine periodically arranges large mock cyanide emergency events that include external stakeholders. Such events were held in 2003 and 2006. As part of annual refresher training, all employees are provided the opportunity of requesting changes to the emergency handbook.

The incident investigation process is used to investigate the cause of an incident and evaluate ways to reduce risk and reoccurrence. Roles and responsibilities for completing the investigation are defined in governing procedures.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

**8. TRAINING Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner.**

*Standards of Practice*

**8.1 Train workers to understand the hazards associated with cyanide use.**

The operation is:         in full compliance  
                                   in substantial compliance  
                                   not in compliance ...with Standard of Practice 8.1.

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

RMGC has a robust, well-supported training program for the management of cyanide. All new hires and newly transferred personnel who will be assigned to areas involving the use of cyanide are provided general hazard awareness training that addresses the transportation, storage, handling, and use of cyanide. Training is provided by a dedicated training specialist. Specific instructions related to the management of cyanide on a day-to-day basis are documented in "task cards" that relate to major job functions. Task - specific training requirements are also defined in the task cards, and training is provided either by the training coordinator or the responsible supervisor.

Acknowledgement of training in specific task card requirements is provided by the individual trainee, and records are retained in individual employee files. Training status is actively tracked by the training coordinator via an Excel spreadsheet that is hot linked to individual task cards.

The Ore Processing training coordinator also provides an annual refresher course for all RMGC staff assigned to areas involving the use of cyanide (i.e., assay lab, ore processing, and mill personnel). Training materials and other resources are provided by Cyanco as the basis for this course, which is also updated annually. Cyanide training records are retained for all management and operations personnel who encounter the use of cyanide in their day-to-day activities.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

**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  
                                   in substantial compliance  
                                   not in compliance ...with Standard of Practice 8.2.

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

As noted in Section 8.1, specific instructions related to the management of cyanide on a day-to-day basis are documented in task cards or standard procedures for major job functions. Task – specific training requirements are also defined in the task cards, with training provided either by the training coordinator or responsible supervisor. Acknowledgement of training in specific task card requirements is provided by the individual trainee, and records are retained in employee files. Training status is actively tracked by the training coordinator. Task card-specific training is not considered complete until the trainee and the trainer/supervisor are mutually satisfied that the training has achieved its intended result.

As also noted in Section 8.1, the training coordinator also provides an annual refresher course for all RMGC staff assigned to areas involving the use of cyanide, based on technical information provided by Cyanco. All new hire/refresher training concludes with a written examination.

In addition, multifaceted cyanide emergency response drills are held every few years that involve RMGC staff and external stakeholders. Emergency response teams are also subjected to mock emergency response drills for one day each month; over a year, several of the drill scenarios will typically involve cyanide.

A special loss control training course is also provided to the supervisors twice annually by the General Foreman of Ore Processing and the Ore Processing Training Coordinator. Instruction is provided on effective training methods, basic loss control considerations, inspection methods, accident prevention, and hazard recognition. The course is well documented, and feedback is collected and considered in subsequent training program requirements.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

All cyanide training records are maintained for the full length of an individual's employment with RMGC. New hire and refresher training course materials are filed along with associated attendance sheets and test results. Training records are countersigned and dated by the trainee and trainer/supervisor.

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

The operation is:         in full compliance  
                                  in substantial compliance  
                                  not in compliance ...with Standard of Practice 8.3.

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

Specific instructions related to the management of cyanide on a day-to-day basis are documented in "task cards" or standard procedures that relate to major job functions, including cyanide facility operations and maintenance. Task - specific training requirements are also defined in the task cards, and training is provided either by the training coordinator or the responsible supervisor.

RMGC "cyanide unloading" personnel are limited to the operators who witness truck unloading by the Transwood drivers. All personnel who work with cyanide (i.e., assay lab, ore processing, and mill personnel) are trained in emergency response/first aid procedures. In addition, as previously noted, multifaceted cyanide emergency response drills are held every few years. Emergency response teams are also subjected to mock emergency response drills for one day each month; over a year, several of the drill scenarios will typically involve cyanide.

RMGC has developed an MOU with Nye County Regional Hospital for the provision of cyanide emergency medical services, and Hospital staff have been engaged in cyanide hazard recognition and emergency response training by Cyanco, at RMGC's request. A similar MOU has also been signed with Nye County Ambulance Service. The Round Mountain HAZMAT team, the Nye County Sheriff, and the Nevada Highway Patrol all participated in the July 2003 and September 2006 cyanide emergency drills, and have participated in RMGC cyanide hazard awareness and emergency

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

response training. At RMGC's request, Cyanco representatives have also met with Nye County Medical Center staff to discuss cyanide-related exposures and provided response instructions. All onsite training involving RMGC emergency response personnel is also made available to local EMT and HAZMAT representatives.

As noted in 8.1, the training coordinator provides an annual refresher course for all RMGC staff assigned to areas involving the use of cyanide. Training materials and other resources are provided by Cyanco, and the course is updated annually. All personnel who work with cyanide are trained in emergency response/first aid procedures as referenced by the Emergency Response Plan. Emergency response teams are also subjected to mock emergency response drills for one days each month, and over a year, several of drill scenarios will address cyanide issues.

The September 2006 and July 2003 cyanide emergency drills were critiqued by RMGC loss control/training staff, as well as a number of key non-RMGC participants, including Cyanco and Nye County Emergency Medical Services. Specific improvement requirements were noted in both drills that have been reflected in subsequent training and document development activities.

As previously noted, all cyanide training records are maintained for the full length of an individual's employment with RMGC. Records are also retained that demonstrate that local non-RMGC emergency personnel have participated in cyanide hazard awareness and emergency response training.

## 9. DIALOGUE Engage in public consultation and disclosure.

### *Standards of Practice*

#### **9.1 Provide stakeholders the opportunity to communicate issues of concern.**

The operation is:       in full compliance  
                                   in substantial compliance  
                                   not in compliance    ...with Standard of Practice 9.1.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

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

RMGC is committed to policies of open disclosure, and has assigned responsibilities for liaison with the local community to the Mine Executive Secretary (a long-term resident of the Big Smoky Valley and long-term RMGC employee). Requests for tours and information received from the local community, general public, and local stakeholders are informally tracked and responded to, subject to the authorization of the General Manager. In addition, RMGC has actively engaged non-RMGC representatives from the local community in cyanide hazard awareness and emergency response training and participation in mock cyanide emergency drills in 2003 and 2006.

**9.2 Initiate dialogue describing cyanide management procedures and responsively address identified concerns.**

The operation is:       in full compliance  
                                  in substantial compliance  
                                  not in compliance ...with Standard of Practice 9.2.

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

As previously noted, RMGC has assigned responsibilities for liaison with the local community to the Mine Executive Secretary. Requests for tours and information the part of the local community, general public, and local stakeholders are informally tracked and responded to, subject to the authorization of the General Manager. In addition, RMGC has actively engaged non-RMGC representatives from the local community in cyanide hazard awareness and emergency response training and participation in mock cyanide emergency drills in 2003 and 2006, and plans to continue this policy of engagement in future.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date

**9.3 Make appropriate operational and environmental information regarding cyanide available to stakeholders.**

The operation is:      in full compliance  
                               in substantial compliance  
                               not in compliance ...with Standard of Practice 9.3.

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

The local population consists primarily of mine workers and their families, so information disseminated to the workforce is readily available to family members. A general brochure explaining cyanide processes at the mine has been developed that is suitable for public distribution. RMGC also produces a biweekly newsletter. School tours have been conducted on a regular basis, and regular contacts are maintained with the remaining residents of Round Mountain town, the Hadley town manager and town council, the Round Mountain Community Emergency Response (HAZMAT) Team, a volunteer fire department (primarily composed of RMGC employees), and resident Nye County Sheriff's deputies and Nevada Highway Patrol (NHP) patrolmen. Requests for visits have been routinely honored from tour companies and tour coordinators with mining interests. Tours are also periodically arranged for State and federal politicians and representatives from USDA and BLM.

Literacy is not an issue for any stakeholders with respect to their ability to understand operational and environmental information about cyanide.

No hospitalizations or facilities related to cyanide use have occurred over the life of mine. Cyanide has never been released off site, and no cyanide releases have occurred, on or off site, that have had a significant adverse effect. Spills or leaks, where they have occurred, have been readily contained, and the source pinpointed and repaired in response to specific maintenance requests. Only two reportable releases have occurred since 2001; both releases were contained well within the mine boundary. Spill notification and corrective action documents were properly submitted to NDEP and as such, are in the public domain. No releases have ever occurred, on or offsite, that have resulted in any discharge limit exceedances.

Round Mountain Mine  
Name of Mine

  
Signature of Lead Auditor

April 19, 2007  
Date