The CODE

The Newsletter of
the International Cyanide
Management Institute
www.cyanidecode.org

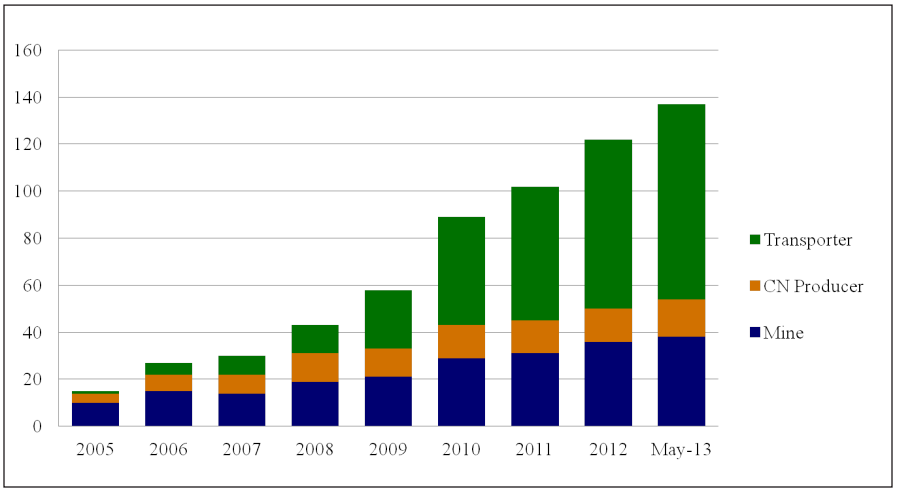
2nd Quarter 2013 Edition

What's Inside

Welcome to the International Cyanide Management Institute's (ICMI) 2nd Quarter, 2013 newsletter.

Growth in Cyanide Code Signatories and Certified Operations Accelerates in 2013

The Cyanide Code continued to experience robust growth in the numbers of signatory companies and certified operations during the first months of 2013. From January 1 through May 31, 2013, the Code added 15 new signatories, bringing the total number to 137. If this rate continues through the year, the Code would end 2013 with 158 signatory companies, an annualized growth rate of nearly 30%. This compares to the addition of 18 new signatories in all of 2011 and 15 new signatories in all of 2012, representing annual increases of 20.2% and 14.0%, respectively. For the Cyanide Code to increase its rate of growth even as the number of signatory companies also increases is clear evidence that the global gold mining industry and the producers and transporters of the cyanide it uses continue to embrace the program as the benchmark of best practices for cyanide management



Code Signatory Companies 2005 – May 31, 2013

As of May 31, 2013, 198 operations have been certified in compliance with the Cyanide Code, consisting of 96 gold mines, 21 cyanide production facilities and 81 cyanide transporters; 77 of these (56 mines, 11 cyanide producers, 10 cyanide transporters) have been certified more than once. Based on the number of operations certified so far this year, 2013 will see a significant increase in both the number of certified operations and their rate of growth as compared with the prior year. From January 1 through May 31, 2013, 19 operations (3 mines, 3 cyanide production facilities, 13 cyanide transporters) have been certified for the first time, and an additional 17 (11 mines, 3 cyanide production facilities and 3 transporters) have been re-certified. This compares with totals of 17 initial certifications and 20 re-certifications during all of 2012.

One-Day Training Workshop Slated for July 16 in Accra, Ghana

The International Cyanide Management Institute (ICMI) will hold a one-day training workshop on implementing and auditing the International Cyanide Management Code, and on the practical lessons learned from its implementation and auditing, in Accra, Ghana, on July 16, 2013.

This one-day session is for personnel of companies that have signed or intend to sign the Code, auditors and prospective auditors, and others with an interest in learning more about Cyanide Code implementation and auditing. ICMI Vice President Norm Greenwald will provide an overview of the Cyanide Code and its certification process, and discuss Cyanide Code requirements for gold mines and cyanide transporters. The Workshop also will feature presentations from Cyanide Code-certified operations and Code auditors about their experiences with Code implementation and auditing.

The Workshop will be held at the Alisa Hotel, 21 Dr. Isert Road, North Ridge, Accra, Ghana. The hotel can be reached at +233-302-214244, or http://www.alisahotels.com. Workshop participants are responsible for making their own arrangements for lodging.

For details on the training workshop and registration information click here.

Workshop attendance will be limited, so please register early to ensure your participation.

Training Program Available on DVD

Last year, ICMI launched a new online training program on its web site that presents the requirements for implementing and auditing the Cyanide Code. The 11-module course takes 3-½ hours for users to complete. Because some remote locations have poor internet connections, ICMI has received many requests for the training on DVD. Now, all 11 modules are available in a set of two DVDs for $15 per set, or 5 sets for $50. Please send inquiries to info@cyanidecode.org.

ICMI Board of Directors Tours Kinross Gold Corporation's La Coipa Mine

On April 20, ICMI's Board toured the La Coipa Mine site in northern Chile and met with mine management and staff. The Board visited the metallurgical plant, cyanide storage facilities, and viewed mining operations.

KINROSS

Kinross Gold Corporation's La Coipa Mine was certified in compliance with the Cyanide Code in July, 2011.

The Board frequently visits certified operations in conjunction with its meetings to learn about the challenges and opportunities of Cyanide Code implementation firsthand. "It's important for us to visit mines that have successfully implemented the Code, talk to operators about their experiences and see what Code compliance looks like on-the-ground," said ICMI Board Member John Gammon. Paul Bateman, ICMI President, said: "We are grateful to Kinross for the opportunity to visit La Coipa, which was certified in compliance with the Cyanide Code in July 2011." The open-pit mine, which uses the dry stack method of tailings management, is located at an elevation of 4,000 meters (12,123 feet) in the Atacama Region of northern Chile and produced 178,867 ounces of gold in 2012.

Argentine Seminar on Cyanide Code a Success

A seminar was held on May 14 and 15 in Caleta Olivia, Argentina, prompted by local interest in the Cyanide Code as a resource and potential model to assist the state of Santa Cruz and the nation in developing the appropriate regulation for the use of cyanide in gold mining.

Nearly 100 people attended the seminar which was organized by the Environmental Monitoring of the Municipality of Caleta Olivia, the Caleta Development Agency and the National University of Patagonia (UNPA). It was held under the auspices of the Secretariat of National Mining within the framework of the National Mining Training Plan. Among the participants were mining company personnel, cyanide transporters, hazardous materials experts, police officials, coast guard personnel, professors and students.

Celso Pessoa, approved Cyanide Code auditor, was the keynote speaker.

ICMI President Paul Bateman addressed the seminar on the development and implementation of the Cyanide Code, and its importance as a form of assurance for stakeholders. Keynote Speaker Celso Pessoa, an audit professional approved by ICMI as a lead auditor and as a technical expert auditor for gold mines, cyanide production facilities and cyanide transport operations, who has conducted over 15 Cyanide Code audits, discussed in detail the Code's requirements. Afterwards he elaborated on the significance of the seminar: "The importance of the seminar in Argentina was to de-mystify some of the misconceptions associated with cyanide. I believe we showed that although cyanide is a very toxic chemical, the Cyanide Code provides a framework under which it can be safely managed to protect workers, communities and the environment."

Other speakers included representatives of mining and transportation companies with experience implementing the International Cyanide Management Code and achieving certification under the program, including AngloGold Ashanti, Goldcorp and Yamana Gold.

Other seminar topics included:
- The management of sodium cyanide in gold mining in accordance with ICMI principles.
- Principles and practical standards in the Cyanide Code.
- Experiences from operations that have already been certified.

Nearly 100 people attended a two-day seminar in Caleta Olivia, Argentina, to learn about the Cyanide Code.

Cornstarch Instead of Cyanide? Not Likely

Despite media reports of successful extraction of gold using cornstarch instead of cyanide, this laboratory process is highly selective and not applicable to modern-day gold production.

Scientists at Northwestern University reported that they extracted gold from a solution containing gold bromide salts. By adding a simple sugar derived from cornstarch, the gold particles then precipitated out in the form of tiny needles. According to the journal *Nature Communications*, once these needles were mixed with sodium metabisulfate, the gold turned into a purer state.

However, this separation procedure will not work to produce gold from gold ore, which is how large-scale gold production is accomplished. More likely, says John Monhemius, a mineral engineer at London's Imperial College, it might be applicable to retrieving gold from recycled scrap or in the refining of gold dore, an alloy of gold and silver, produced at gold mines. Quoted in *Chemistry World*, he said: "It is most unlikely that this new chemistry will have any impact on the long-established use of cyanide at gold mines worldwide for the recovery of gold from primary ores. It is a new precipitation method, not a new dissolution method and therefore is not applicable to leaching gold ores."

Code Questions

Question 1: A cyanide transport supply chain designated for certification includes multiple depots for warehousing, interim storage and/or transfer of cyanide from one carrier to another. The consignor has developed appropriate procedures for the depots and requires that they are consistently applied regardless of whether the depots are managed directly by the consignor or by contractors. When the supply chain is audited for certification, is the auditor required to visit every depot to evaluate its compliance with the Cyanide Code, or can a representative sample of these facilities be visited?

Answer: The intent and expectation of the Cyanide Code is that auditors visit the facilities that they are evaluating for certification so they can directly observe whether the necessary management practices are being implemented. While representative sampling of a facility's records, inspection reports or other evidence of compliance is a common and necessary practice during Cyanide Code audits, it is difficult to conceive of a situation where representative sampling of the actual cyanide facilities that are being certified would be appropriate.

It should be noted that the process for certification of a supply chain allows the Due Diligence Investigation (DDI) of ports and rail terminals to be conducted by the consignor or his agent provided that the DDI report is reviewed by a Cyanide Code technical expert auditor and that its observations and conclusions are incorporated into the supply chain's certification audit report. In a situation where a port, rail terminal or other facility at which interim storage occurs may not be inspected by a Cyanide Code auditor, the Cyanide Code expectation is that the facility would be inspected by the consignor as part of the DDI. Regardless of whether the site visit is conducted by the consignor or by a Cyanide Code technical expert auditor, all cyanide facilities in the supply chain should be inspected, rather than only a "representative" sample of them.

Question 2: A gold mining company that is a signatory to the Cyanide Code has a mine that is Code-certified. The signatory company is purchased by a company that is not a Cyanide Code signatory. How does this affect the status of the signatory company and the mine under the Cyanide Code, and do any additional Code requirements apply because of the sale?

Answer 2: The status of the signatory and of the certified mine are not affected, and no new requirements are applied, as long as the signatory company retains both its separate corporate identity and its ownership of the mine. However, if the signatory company is dissolved or the ownership of the mine otherwise is transferred to the new non-signatory owner, the mine would be terminated from the program unless the new owner became a signatory. In that case, the mine would be subject to the provisions of the Cyanide Code's "Certification Maintenance" section, which requires a certified operation to be re-audited within two years of a change in its ownership, which is defined as a change of the controlling interest of the operating company, in order to remain certified.