SUMMARY AUDIT REPORT

for the October 2007
International Cyanide Management Code Audit

Prepared for:
Fairbanks Gold Mining Inc.
Fairbanks, Alaska
[a Kinross Gold Corporation USA, Inc., Operation]

Submitted to:
International Cyanide Management Institute
1200 "G" Street NW, Suite 800
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11 February 2008

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ERM

SUMMARY AUDIT REPORT

Name of Mine: Fort Knox Mine

Name of Mine Owner: Kinross Gold Corporation USA, Inc.

Name of Mine Operator: Fairbanks Gold Mining, Inc. (FGMI)

Name of Responsible Manager: Larry Radford, Vice President and General Manager

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Location detail and description of operation:

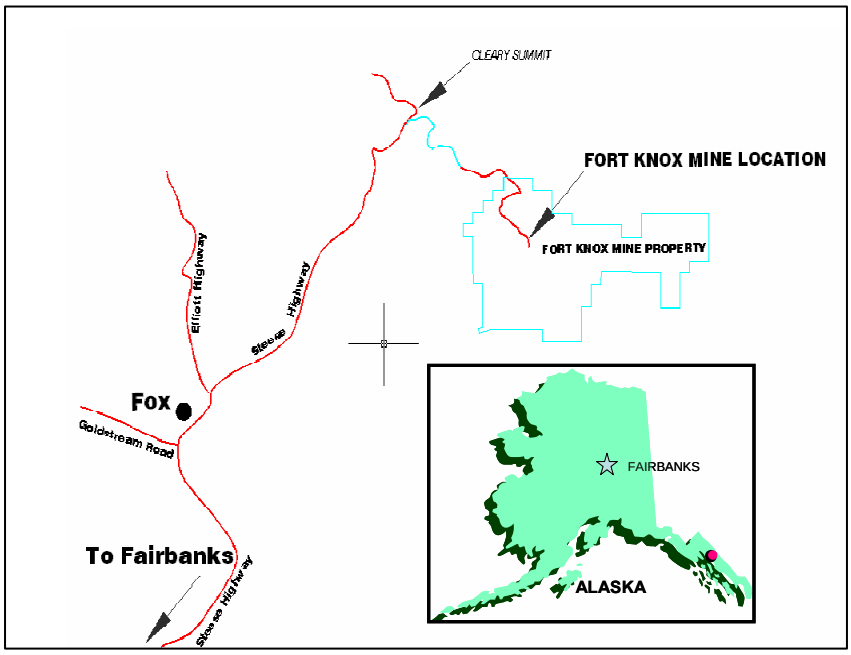
The Fort Knox Mine is an open-pit gold mine, located approximately 26 miles northeast of Fairbanks, Alaska. The mine was originally permitted in 1994, and currently produces about 330,000 ounces of gold annually. The mine site is located primarily on lands owned by the State of Alaska and the Mental Health Trust. Fairbanks Gold Mining Inc. (FGMI) employs 400-425 people at the mine and mill, which operate on two shifts, 24 hours per day, 365 days per year. FGMI received the final permit for construction of the Walter Creek Valley heap leach facility on 31 October 2007, which will allow expansion of the mine. Although some of the design features of the planned facility are discussed in this report, the facility has yet to be constructed and commissioned. Evaluation of the adequacy of this facility with respect to the ICMC was therefore not included as part of this audit.

Milled ore material flows via a high-rate thickener into leach tanks where cyanide is used to dissolve the gold. A carbon-in-pulp (CIP) circuit is used to capture gold from the cyanide solution. Gold is then removed from the carbon by a stripping solution, plated onto a cathode by electrowinning, and melted into doré bars (typically 90+% gold, 8+% silver). An INCO copper sulfate/

ammonium bisulfate detoxification circuit was originally used to reduce weak acid dissociable (WAD) cyanide concentrations to acceptable values prior to tailings deposition. This was replaced in 2002 with a tails wash thickener arrangement that recovers cyanide back into the milling circuit. This substantially reduces WAD concentrations in the mill tailings as well as the amount of cyanide and other reagents required in the mineral extraction process. The detoxification circuit is maintained in reserve and is only activated as necessary to address potential process fluctuations and ensure that WAD concentrations in the mill tailings are maintained below the permitted 10 ppm monthly average and the 25 ppm daily maximum.

The mill tailings are routed to a tailings storage facility that is comprised of a deposition area; decant pond; a 330 foot high earth-filled containment dam; and a seepage interception, collection, and pump-back system. Water from the decant pond is pumped back to the mill and reused, thereby minimizing the need for fresh makeup water.

The location of the Fort Knox Mine is shown in the following Figure:



The proposed heap leach pad will be located in the upper end of the Walter Creek drainage immediately upstream from the existing tailings storage facility. The facility is designed with a single-lined side hill pad, and a double lined linear low density polyethylene (LLDPE) liner with high density polyethylene (HDPE) collection piping beneath the in-heap storage pond, underdrains, and a leak detection system. Existing cyanide mixing and storage capabilities at the mill

will be used to provide the additional cyanide necessary for pad operations. The proposed heap leach facility was not part of the ERM Audit.

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: Environmental Resources Management
Suite 600, 1281 West Georgia Street
Vancouver, British Columbia V6E 3J7

Audit Team Leader: John Lambert e-mail: john.lambert@erm.com

Names and Signatures of other Auditors

Robert Richins Robert T Richins

Glenn Mills

Date(s) of Audit: October 15 to 19, 2007

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 Detailed 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.

Fort Knox Mine — Name of Mine

Signature of Lead Auditor

11 February 2008 — Date

Gary Baldwin
GARY BALDWIN
Barrister & Solicitor
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Signed before me by John Lambert this 11th day of February 2008 at North Vancouver BC.

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

Discuss the basis for this Finding/Deficiencies Identified:

FMGI contracts exclusively with DuPont's production facility in Memphis, Tennessee, which was certified in April, 2006; the contract was amended in August 2007 to specifically recognize both parties' commitment to achieving and maintaining compliance with the ICMC.

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.

The operation is:
- ■ in full compliance
- □ in substantial compliance
- □ not in compliance …with Standard of Practice 2.1.

Discuss the basis for the Finding/Deficiencies Identified:

Fort Knox Mine		11 February 2008
Name of Mine	Signature of Lead Auditor	Date

Per the conditions of its contract with FGMI, DuPont delivers cyanide "free-on-board" (FOB) to the FGMI receiving dock and assumes responsibility for production as well as all transportation. DuPont has contracted with Alaska Railroad Corporation (ARRC) to deliver cyanide from DuPont's Memphis plant to multiple mine sites in Alaska, FGMI included.

DuPont contracted Management System Solutions, Inc. (MSS) to perform a Cyanide Code Transportation Due Diligence Verification Audit of DuPont's management of all services provided by ARRC and its subcontractors in October, 2007. Results indicated full consistency with the ICMC.

According to the MSS due-diligence audit report, cyanide destined for the Ft. Knox mine is initially packaged at DuPont's Memphis plan by a specialty packaging contractor [Lemm Services, Inc. (LSI)], who was audited as part of the scope of the Cyanide Code Production Verification Audit of DuPont in March of 2006. DuPont provides LSI cyanide in solid briquette form; LSI packs it in US DOT-approved nylon supersacks with pallet-based plywood overpacks, which are in turn packed in DuPont-owned steel intermodal shipping containers. The containers are transported a short distance to the railhead by a local carrier (Intermodal Cartage Company, Inc.). This carrier underwent an ICMC Transportation Verification Audit in August 2007, and was also found to be in full compliance with the ICMC.

ARRC takes responsibility for the containers at the Memphis railhead and maintains responsibility until they are received at the mine. Shipping from the Memphis railhead to the Port of Seattle is managed via an ARRC subcontract to Union Pacific Railroad (UPRR). At the Port of Seattle, railroad cars with DuPont containers destined for Alaska are loaded onto ARRC roll-on/roll-off (RO/RO) barges, which are then towed to the Port of Whittier (Alaska), offloaded directly to the railway by ARRC and moved by rail to Fairbanks for interim storage at a secure facility managed by an another ARRC subcontractor, Alaska West Express Inc. (Alaska West). Alaska West then trucks intermodal containers to all Alaska mines serviced by DuPont, via public highways. Containers are not shipped across international boundaries, nor are they removed from their railcars until they arrive at the Alaska West storage/transshipment facility in Fairbanks. The intermodal containers are then placed on trailers for truck shipment by Alaska West, and are not opened until FGMI personnel are ready to unload the shipping containers and place the palletized boxes of briquettes inside its secure receiving facility.

DuPont is clearly responsible for all transportation and handling of cyanide from the plant to FGMI with exception of the unloading of the cyanide at the operation. FGMI personnel are responsible for unloading and storing cyanide pending mixing and use.

The current contract with DuPont includes a commitment that all DuPont subcontractors will be compliance with the ICMC. DuPont has provided documentation to FGMI generally describing and attesting to ICMC compliance for the entire supply chain.

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.

Discuss the basis for the Finding/Deficiencies Identified:

DuPont has provided responsible Kinross and FGMI personnel documentation indicating the completion of the following audits:

- Cyanide Code Production Verification Audit for Certification DuPont's Memphis Plant, conducted by MSS, which also addresses LSI packaging functions at the DuPont Memphis Plant;

- Cyanide Code Transportation Verification Audit of Intermodal Cartage Co., Inc. (conducted by MSS in August 2007; addresses transportation of intermodal containers from Memphis production plant to railhead); and

- Cyanide Code Transportation Due Diligence Verification Audit of ARRC (conducted by MSS, May – August 2007); addresses all transportation links managed by ARRC from the Memphis railhead to FGMI.

Each of these audits indicated unqualified consistency with the emergency response and other requirements of the ICMC.

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.

Discuss the basis for this Finding/Deficiencies Identified:

Review of the unloading, storage and mixing systems by a professional engineer concluded that the intent of this section of the ICMC has been met.

Cyanide is only delivered in solid briquette form, in nylon supersacks overpacked in polyethylene bags and a cardboard-lined plywood box, and shipped in steel intermodal containers. The boxes are unloaded from the containers by forklift in a fully enclosed, roofed, and bermed concrete loading and storage dock attached to the main mill building. The briquettes are stored in the loading dock in their plywood shipping containers and supersacks. The storage dock is naturally vented and also partitioned from the interior of the mill building by a steel overhead door and man-door. The loading dock and mill building are well within the fenced security perimeter of the mill site. There is no surface water near the dock, and the plant interior is sloped towards internal sumps that prevent water buildup in the doorway to the loading dock. The loading dock is dedicated to cyanide receipt and storage; no other materials are stored in the loading dock area.

Cyanide mixing and storage tanks are located inside the mill building in a fully bermed concrete impoundment sized to contain 110% of the largest tank in the impoundment. The cyanide mixing tank has a high-level alarm and indicator near the mixing operator's work station.

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.

Discuss the basis for this Finding/Deficiencies Identified:

All cyanide mixing and handling operations are documented in operating procedures which are maintained on the FGMI internet site. These procedures contain specific provisions on unloading, storage and handling of cyanide over packs; sack splitting and mixing; provisions for the operation of caustic soda, water, and solution valves and pumps in the mixing process; and cleanup of mixing-area spills. Implementation of these procedures was confirmed through direct observation of mixing activities.

A single plywood overpack is used to collect used packaging materials (cut and triple-rinsed supersacks, polyethylene bags, and plastic strapping) prior to being disposed in a permitted onsite landfill; all other plywood overpacks and cardboard liners are routed to a permitted burn pit and incinerated. Plywood overpacks are not permitted to be used for other purposes and are not returned to the vendor. The sacks are triple-rinsed via an automatic spray device in the interior of the mixing funnel on top of the mixing tank, prior to disposal. The rinse water is entirely contained and drains into the mixing tank.

***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.

Discuss the basis for the Finding/Deficiencies Identified:

Management plans and standard operating procedures (SOPs) for cyanide facilities have been developed to address; operation and maintenance of the Tailings Storage Facility; general and specific safety policies and SOPs; transport, and off-loading, preparing and handling cyanide solutions; measuring cyanide solutions; inspection and maintenance; emergency response and reporting; and contingency plans and procedures for potential upset situations focusing on spring break-up and the water balance.

The primary plans and procedures that are the design basis of the operating facility are components of the *State of Alaska Waste Management Permit* and the *Final Plan of Operations* (F20079852), as amended in July, 2007. *The Amended and Restated Millsite Lease* incorporates plans and procedures that address mining, operations, closure, and monitoring for the cyanide milling operation. These documents describe the existing milling and cyanide leaching operations. Cyanide concentration in the tailings (solid fraction), decant pond, recycle water, and limits for the interception and monitoring wells are also described in the waste management permit. Provisions for wildlife protection are highlighted. The FGMI operation is designed as a zero discharge facility.

A central component of these documents is the predictive (probabilistic) water balance. A comprehensive site wide *Environmental Monitoring Plan* augments all these documents to insure compliance and detection and corrective action for any unplanned release of cyanide solutions outside the designated containment area(s). WAD cyanide solutions in the tailings slurry discharging to the Tailings Storage Facility decant pond cannot exceed 10 mg/l. This is controlled by fresh water addition and a conscientious program at the mill leaching operation to optimize cyanide use and recovery, and thereby reduce operational costs. A contingency cyanide detoxification plant is available along with onsite emergency power generation should the need arise. There are also four 1.5 MW diesel generators for backup power.

A preventive maintenance program is in place at the mill, leaching and cyanide recovery/detoxification facilities, and the Tailings Storage Facility. Monitoring and maintenance inspection procedures and the maintenance action request system demonstrate compliance with relevant ICMC requirements. A "Management of Change" control SOP has been specifically developed that provides a functional risk assessment approach to ensure that proposed changes do not introduce new hazards, and to determine if existing hazards can be "engineered out" or otherwise eliminated from the new process.

The Emergency Response Plan addresses contingency actions in responses to spills or releases of process solution within the mill. A Tailings Storage Facility Emergency Action Plan has also been developed to govern identified deviations from normal operational characteristics.

The mill, cyanide leach operation, and Tailings Storage Facility all have procedures in place for inspection of their respective facilities to ensure that design parameters are being met. These include periodic ultrasonic shell thickness testing as well as visual inspection for corrosion and/or leakage of cyanide solution tanks; inspection and maintenance of integrity and capacity of secondary containments; functional checks and visual inspection of cyanide solution piping systems for corrosion and/or leakage; and a separate O&M manual for routine inspection and maintenance of the Tailings Storage Facility. Each Supervisor completes a Cyanide Task Observation Form (monthly), which addresses both safety and cyanide containment considerations.

Environmental and preventive maintenance inspections are typically documented and corrective actions are typically reflected in planned maintenance actions, or where inspection results involve more complex or critical issues, a high level of communication, investigation, and confirmatory inspection is undertaken during the completion of required corrective actions. Generator startup and operations are routinely tested as part of the mill operation's preventive maintenance program.

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.

Discuss the basis for this Finding/Deficiencies Identified:

An optimum target is set for cyanide consumption and cyanide addition rates are closely monitored and controlled by the Mill Manager through monitoring of pH and gold in solution. The operation targets a set of consistent cyanide usage rates and pH limits, to achieve as close to "steady state" as possible. The operating objective is to achieve minimum cyanide use and maximum gold recovery. Mill personnel monitor and measure cyanide concentrations at various

points in the process via real time titration processes. The values obtained are entered into the automated control system.

Cyanide concentrations in the process are also influenced by the water balance. Fresh water from the freshwater reservoir or from pit dewatering may be added to the process in the recycle from the tails wash thickener. Currently all discharge water is discharged to the tailings impoundment. Cyanide concentrations in the slurry being discharged to the tailings pond must exceed 10 mg/l on a monthly average. Cyanide concentrations in the decant pond and tailings mass also undergo natural degradation. The detoxification plant may also be operated as necessary to ensure that monthly averages in the Tailings Disposal Facility are met. No exceedence has been recorded as part of the monitoring program.

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.

Discuss the basis for the Finding/Deficiencies Identified:

A comprehensive water management balance has been developed for the operation. The Mill Site Lease includes the entire mine site or about 7,620 acres. The project water balance covers about 5,000 acres which is roughly the entire watershed that is affected by the operation, including the Freshwater Reservoir and all the cyanide facilities, which involves the entire, 5000-acre mine site and all cyanide process facilities.

The primary objectives of the water balance are to achieve "zero discharge" and to minimize cyanide use and maximize gold recovery. The water balance contains features that allow the probabilistic prediction of hydrological and other environmental conditions that permit the mill to proactively adjust or optimize operational processes. Adjustments can be made to cyanide usage rates, fresh water and recycled decant water usage, and other parameters. The model considers flow data, meteorological conditions (e.g., evaporation, precipitation, and sublimation), decant water and seepage volume and composition, surface water volume and composition, groundwater volume and composition, power outages and other parameters. Special provisions address breakup and ice

formation. Estimated available water in the Tailings Storage Facility is accounted for on a weekly basis. The water balance also accounts for natural water inflows/outflows and water use throughout the mine site. This includes pit dewatering pumping to the Tailings Storage Facility; pumping Tailings Storage Facility decant water to the mill; pumping from the Water Storage Reservoir to the Tailings Storage Facility; Tailings Storage Facility interceptor system recirculation; and mill process water discharge.

The model considers the following inputs/criteria:

- The rates of mill output to the Tailings Storage Facility are measured daily and weekly;
- The design storm event selected was the 100 yr., 24 hr storm, plus the average 30-day spring breakup, plus the snowmelt from a 10-yr snow pack, plus containment for a 24 hr. power outage;
- The Tailings Storage Facility freeboard and predicted fill calculation involves input of snowpack, rainfall, evaporation, run-on into the Tailings Storage Facility, pit dewatering inputs, and Tailings Storage Facility reservoir pumping including recycling of decant pond water to the mill;
- A 3.7 ft. freeboard is maintained, in compliance with governing permit conditions which represents 3,500 acre-ft of contingency;
- Continuous onsite monitoring data that have been collected since 1992. The data are collated and reported annually and are also cross-referenced with data from the Fairbanks Airport.
- Accurate consideration of precipitation and other inflows from the upgradient watershed for the Tailings Storage Facility and Walter Creek heap leach facility, as well as percolation of surface waters into ground water systems and dewatering of the pit and Fish Creek (Note: Walter Creek heap leach facility is not part of this ERM audit);
- Accounts for freezing and thawing conditions in an extreme climate, including snowmelt and an allowance for the average 30-day spring breakup. The model accounts for three melt phases; each year the ice melt period is adjusted, and the model refined accordingly;
- Watershed losses from evaporation, infiltration, and seepage are monitored and estimated. Ice formation is also measured when conditions allow;
- The effects of potential power outages and necessary emergency generation and pumping facilities are included in project design and operation;

- Accounts for consolidation of tailings; pumping tailings decant water back to the mill and various other parameters.

In addition to precipitation, evaporation and sublimation are also estimated at the site, or in the case of snow pack water content extrapolated from a near-by NOAA-approved station. The 2008 Operating Budget includes a line item for installation of a Zeno 3200 Datalogger - Data Measurement Control and Storage Unit. SOPs are revised as necessary based on the results of the water balance.

The operation and maintenance SOP for the Tailings Storage Facility adequately addresses inspection and monitoring activities which provide input into the water balance. FGMI plans to make additional future updates to this SOP to account for major facility changes (e.g., addition of the Walter Creek heap leach facility).

FMGI has installed (and optimized) a tails wash thickener, which controls and recycles cyanide-bearing process water sufficiently well to keep cyanide concentrations in the tailings slury below the 10 ppm average WAD cyanide concentration required by the operating permit. The detoxification circuit originally designed for the operation now only operates on an as-needed basis to accommodate any unusual or seasonal fluctuations in the WAD cyanide concentrations measured in the Tailings Storage Facility decant pond.

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.

Discuss the basis for the Finding/Deficiencies Identified:

FMGI has implemented a site-wide management program to protect fish, birds, other wildlife and livestock from adverse effects of cyanide solutions. The program includes: maintaining cyanide solutions in Tailings Storage Facility at less than 10 mg/l WAD cyanide (monthly average); characterization of all available surface water supplies and post cyanide detoxification of tailings solids; disposal of discarded and unused chemicals and cleanup wastes in an inert solid waste facility; revised Profile II monitoring; maintaining slurry entering the Tailings Storage Facility between 6.0 and 11.0 pH units; installation

of monitoring wells; meeting Alaska water quality standards at closure of the Tailings Storage Facility; mixing cyanide solution in closed vessels; treatment of any project related discharges to meet current water quality standards; daily inspections of the Tailings Storage Facility for wildlife intrusions and potential mortalities; implementation of a Wildlife Mortalities Prevention Plan; conducting third-party audit of the facility to ensure that wildlife and fisheries are being adequately protected; and implementation of a site-specific Pollution Prevention Strategy.

The operation does not have any open solution ponds with WAD cyanide concentrations exceeding 50 mg/l. Historical records for the Tailings Storage Facility indicate that WAD cyanide concentrations measured in the tailings slurry discharging to the Tailings Storage Facility decant pond are less than the 10 mg/l monthly average required by FGMI's operating permit. A review of operating records showed that the concentrations in the decant pond are actually consistently less than 5 mg/l. The operation meets the Code's recommended limit of 50 mg/l WAD cyanide in the pond where wildlife could have access to process solution. Since the project commenced operation in 1994, there have been no process-related wildlife mortalities.

The new Walter Creek heap leach facility will not operate any open solution ponds. Therefore, it will not present a risk to wildlife. Plans for the facility involve fully covered drip emitters and pregnant solution collection systems. The operation will use in-heap pregnant solution storage methods, as opposed to open solution ponds. This approach has been shown industry-wide in significantly reducing wildlife mortalities.

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.

Discuss the basis for the Finding/Deficiencies Identified:

The project does not have a direct discharge to surface waters. Tailings Storage Facility is defined as a "waste treatment system", per the EPA/Corps Wilcher Memorandum of 1992. As such, the impoundment behind the tailings dam including Upper Pearl Creek and Walter Creek which are permitted via a Corps

404 Permit serves as a treatment system, and is not subject to either EPA National Pollutant Discharge Elimination System (NPDES) effluent limits or State of Alaska water quality standards within the impoundment, per the Alaska Department of Environmental Conservation (ADEC) 401 Certification. The future Walter Creek Valley heap leach facility (not evaluated in this ERM audit) will also operate under similar requirements.

The Tailings Storage Facility is managed as a zero discharge facility and does not discharge to surface or groundwater, directly or indirectly. As such, it is consistent with ICMI requirements.

In March 2007 the Facility was subjected to an independent evaluation of potential seepage impacts on downstream water quality after an excessive seepage at the south abutment of the Tailings Storage Facility was identified. It was determined that capture and containment of seepage water by the French drain and expanded interceptor well system prevents any discharge from entering downstream water courses. Mitigation measures implemented in response to this investigation has effectively eliminated the potential for discharges to surface water. Ongoing monitoring continues to demonstrate that remediation measures were successful.

Currently, measured downstream water quality meets the State's water quality standards. The current ground water "interception system" has created a "capture zone", which extends across the entire width of the Fish Creek drainage. The system remains stable with no indication of contamination as of the date of this audit.

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

The operation is:
- ■ in full compliance
- □ in substantial compliance
- □ not in compliance …with Standard of Practice 4.6.

Discuss the basis for the Finding/Deficiencies Identified:

The facility has implemented an expanded network of ground water interception wells (11 total) to manage and protect beneficial uses of ground water beneath and/or immediately down-gradient of the operation. These measures also

involve eight monitoring wells (four of which are active – two are dry and two were converted to pumpback wells). Daily inspections and a monthly groundwater monitoring program, which measures the Profile 2 constituents, is conducted by FGMI. No seepage has been measured below the capture zone.

WAD cyanide concentrations are below the State of Alaska ground water criterion (0.0052 mg/l (WAD). This state requirement is part of the FGMI operation's Solid Waste Permit issued by the Alaska Department of Environmental Conservation. The facility is also considered a "waste treatment system" by EPA. Cyanide has not been detected above regulatory limits in any of the monitoring wells or surface water sampling stations downstream of the Tailings Storage Facility.

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.

Discuss the basis for the Finding/Deficiencies Identified:

As noted previously in Section 3.1, cyanide is purchased only in solid briquette form and delivered to the mill in specially packed plywood crates shipped by rail and truck in intermodal containers. The deliveries are received on a fully enclosed, roofed and bermed concrete loading and storage dock, attached to the main mill building. The process solution mixing and storage tanks are located within the mill building and have coated concrete containments.

All cyanide process tanks are provided with appropriately sized secondary containments and all process solution pipelines are contained within the mill complex (mill building, CIP/leach tank farm, and detoxification plant) and are provided with secondary containment in association with the major tanks that they serve. Any spilled solution that may collect in containment is pumped back into the process. All cyanide tanks and piping system components are constructed of coated or corrosion-resistant steel.

The seven large leach tanks, six carbon-in-pulp (CIP) tanks, the tails wash thickener, and associated solution pipelines located WSW of the mill building, are all within their own concrete containment areas. The external impoundments

around the CIP and leach tanks report to a large sump in the detoxification circuit building, downgradient from the external tank farm. All process pumps, valves, and piping systems are on a routine preventative maintenance schedule.

The detoxification circuit building sump provides in excess of 110% of the largest tank in the containment (including the external leach and CIP tanks), plus the volume of rainfall from a 25 year, 24-hour storm (which could accumulate in the external impoundment around the leach and CIP tanks). External impoundments are subject to periodic cleanout operations to remove sediment and excessive snow buildup as part of the preventive maintenance program.

All process solution or solution-contaminated water accumulated in containments is collected and pumped back to appropriate points in the process; the affected pumps would be powered by the backup generation system in the event of power loss. It should also be noted that the entire mill complex is upgradient of the Tailings Storage Facility. In the highly unlikely event of a catastrophic failure of all of the mill complex containment facilities, and pumpback, and backup power systems, all of the solution in the mill complex would be piped to the Tailings Storage Facility without substantial impact to the impoundment or the freeboard requirements of FGMI's operating permits.

The tailings pipeline to the Tailings Storage Facility is equipped with sensors to detect blockage or leaks. It is visually inspected daily. Any major spills would ultimately drain back to the impoundment. This is unlikely given the monitoring program conducted by FGMI.

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.

Describe the basis for the Finding/Deficiencies Identified:

An independent evaluation of the cyanide management facilities at the site was completed in April 2007, by a Professional Engineer registered in the State of Alaska. This review was conducted in advance of the ERM audit to assess

compliance with the Code This documentation describes the design criteria of unloading, storage, and mixing systems and other cyanide facilities. The evaluation concluded that the operation was in conformance with the protective measures required under Sections 3 and 4 of the ICMC, and that only limited "house-keeping" actions were required prior to the audit

The construction management/construction quality assurance (CQA) reports are maintained at the FGMI Engineering Offices in the Administration Building. These include design and construction records for the Tailings Storage Facility, as well as the mill and the leach/CIP tank and tails wash thickener systems. These were reviewed by the Auditor and judged to be complete.

Knight Piésold (engineering consultant) designed and performed CQA services for the original 1996 Tailings Storage Facility and all subsequent expansions. This included the CQA monitoring. As-built drawings, emergency spillway design and embankment specifications and separate written specifications and CQA reports for all the dam raises are on file. Records are complete and maintained by the engineering staff at the mine.

The mill and plant and related containment facilities were designed by Ford Bacon Davis, who also conducted the QA/QC program for this component of the project. A review of the construction reports showed the process meets Code requirements.

The *Tailings Storage Expansion Construction Report* prepared by Knight Piésold addressed all construction activities for the 2004 program, including: foundation excavation and preparation, borrow sources and reclamation, earthwork construction, and results of the QA/QC program. A qualified QA/QC Engineer was onsite while the earthworks were under construction to perform and supervise inspection and testing of materials, monitor placement and compaction of fill in accordance with Knight Piésold Technical Specifications. Testing requirements also met US Army Corps of Engineers (USACE) 404 Permit specifications. The Project Engineer, Principal/Consultant and Engineer of Record approved the construction program per the Professional Opinion and Acknowledgement. The program was documented by weekly construction progress reports and photographs, notifications and letters.

The tailings thickener project was completed in 2002 as an amendment to the State Waste Management Permit. Design drawings and a Project Specifications Manual prepared by Hatch Engineering are on file. All plans and specifications

were observed to be signed by an Alaska-registered Professional Engineer. Field inspection notes prepared by FGMI demonstrate standard acceptable engineering practices and reporting with oversight by the Mill Superintendent. The ADEC Project Manager also reviewed and approved this process as part of the permit modification.

The design of the remedial measures for the seepage areas on the south abutment of the Tailings Storage Facility was developed by the Knight Piésold, the engineer of record. These modifications were consistent with the as-built design drawings and an appropriate QA/QC program appears to have been followed during construction.

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

The operation is:
- ■ in full compliance
- □ in substantial compliance
- □ not in compliance …with Standard of Practice 4.9.

Describe the basis for the Finding/Deficiencies Identified:

A written monitoring protocol has been adopted by FGMI that addresses surface and ground water monitoring requirements at the site to address permit requirements outlined in *State of Alaska Waste Management Permit 2006-DB004, Fort Knox Mine.* The protocol addresses: monitoring for operations, corrective actions, and temporary and permanent closure. In addition, the permit and protocol also address monitoring requirements for solid waste facilities at the site, Tailings Storage Facility recycle, geochemical monitoring of development rock and overburden, and the LCRS facilities. Pit water quality is also monitored as a component of the overall water balance.

The Quality Assurance Project Plan (QAPP) describes all required collection, prevention and analytical procedures, and defines modified limits and reporting requirements. Monitoring procedures clearly describe locations and sampling protocol, as well as chain of custody and analytical procedures.

The operation is managed as a zero-discharge site, and monitors surface and ground water for potential unplanned discharges of process water. A review of all related monitoring data by the Auditor showed no detectable concentrations of cyanide have been measured outside the "primary containment area".

Qualified personnel in the FGMI Environmental Department are responsible for all monitoring programs. In March, 2007 a complete third-party audit of the cyanide monitoring program was implemented at the site. The audit concluded the need to establish site-specific method detection limits for WAD cyanide analyses and provided specific recommendations for a commercial laboratory selection. These recommendations were accepted by FGMI and ADEC has concurred. The recommended program has been implemented, including variations to the previous sampling frequency.

Field inspection report forms document physical parameters and field conditions. Sampling reports (daily) were readily available, and recorded data are entered into the database on a regular basis. Wildlife sitings are also recorded. The operation monitors for all wildlife mortalities, both cyanide-related and as a result of other mine operations (e.g., road kill). No cyanide-related mortalities have been observed or recorded since the operation's inception in 1994, based on a review of these documents.

The SOP, database, and field aspects of the monitoring program is judged to be effective in detecting and initiating appropriate responses to negative conditions changes in a timely manner. The role of the monitoring program in detecting and supporting the completion of appropriate corrective action for the previously discussed seepage event at the south abutment of the main embankment of the Tailings Storage Facility is a case in point.

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 Practice 5.1.

Describe the basis for the Finding/Deficiencies Identified:

Fort Knox Mine — Name of Mine
Signature of Lead Auditor
11 February 2008 — Date

Conceptual procedures to decommission the facility are contained within the *FGMI Reclamation and Closure Plan; the Closure Plan* (Closure Plan). The Plan is updated on at least a 5-year cycle and submitted to the State of Alaska Department of Natural Resources, Division of Mining, Land and Water (ADNR); ADEC; and the USACE – Alaska District pursuant to the requirements of the major permits governing site operation. Section 5.1.1 and Figure 5-1 of the Closure Plan describe general scheduling considerations and planned sequences of specific categories of closure actions. The level of detail in the procedural discussion contained in the Closure Plan will be increased to an appropriate operational level at the time of closure.

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.

Describe the basis for this Finding/Deficiencies Identified:

State of Alaska regulations require an annually updated decommissioning and closure cost estimate and mining reclamation bond; updated bonds are submitted to ADNR and ADEC for review and approval. The cost estimates are based on third-party assumptions; details are provided to ADNR and are publicly available on the ADNR website. The closure cost estimate is reviewed annually as part of the reclamation bond requirement. FGMI provides a letter of credit, secured by Kinross Gold Corporation, to secure the bonding obligation. Closure requirements include both reclamation and water quality stipulations and post-closure monitoring.

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
- □ not in compliance …with Standard of Practice 6.1.

Describe the basis for the Finding/Deficiencies Identified:

Documented procedures are located on FGMI's internet portal. These include procedures that address delivery and unloading, mixing, plant operations, entry into confined spaces and equipment decontamination. These are supplemented with SOPs on HCN monitor awareness, use of portable HCN monitors, and personal protective equipment program. Operating procedures for handling cyanide solutions include pre-work inspections and PPE requirements. The confined space entry SOP has requirements for evaluating potential hazards prior to a permit being issued; including an assessment of the potential for hydrogen cyanide gas. Pre-work inspections are also performed at crew shift changes.

The operation also has procedures to review proposed process and operational changes and modifications. These include an SOP for installation of new equipment. This SOP is applicable for routine maintenance activities and minor changes and is used to ensure that the appropriate departments, including health and safety, are involved in the review and sign-off on new equipment, parts, procurement, manuals, or other items. There is also a Management of Change Procedure that is used if changes to existing or new systems are required. This procedure requires that a formal risk assessment, a formal environmental assessment and communications process be followed to ensure that changes do not introduce hazards and to determine if existing hazards can be eliminated ("engineered out") with the new process.

There are a number of processes in place that provide opportunities for employees to input suggestions to improve work procedures, reduce waste or materials or labor, and eliminate or reduce safety hazards. These include an "Employee Suggestions" procedure and work task reviews.

Fort Knox Mine — Name of Mine
Signature of Lead Auditor
11 February 2008 — Date

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.

Describe the basis for the Finding/Deficiencies Identified:

A procedure is in place for checking and adjusting pH values for various mixes and process solutions. The procedure indicates that pH values less than 10 to 10.5 increase the possibility of poisonous hydrogen cyanide gas evolution. The pH of strong cyanide solution is maintained above 12.0. The solution of the mixing tank is maintained at a pH above 12.0 before adding sodium cyanide to minimize the possibility of hydrogen cyanide gas. In weak cyanide solutions pH is maintained to be at a minimum of 10.0.

Areas identified for possible exposure to cyanide are the detoxification area, cyanide leach, tails wash thickener, carbon strip and pre-leach thickener. These areas are all monitored with fixed hydrogen cyanide gas monitoring units. Three of the units have both audio and two light (amber and red) visual alarms. The amber light activates if the concentration of HCN reaches 4.7 ppm and the red light activates if the concentration exceeds 10 ppm. FGMI has ordered visual alarms for the remainder of the units. Portable monitors are required to be used in areas when an alarm indicates concentrations of greater than 4.7 ppm. FGMI's maintenance and calibration program for these monitors met the 6 month requirements for fixed monitors and annual requirement for the portal monitors.

Cyanide warning signs are well posted on the doors of the mill, the cyanide delivery bay and on piping and vessels inside and outside the mill. The cyanide crates are identified with warning signage, UN identification number and MSDS information. Piping containing cyanide was also well marked to show flow direction. Signs were clean, clear and posted in visible places. "No Smoking" signage was observed throughout the mill. Although no eating and drinking warning signs were observed, this basic instruction is provided during training.

Showers and eye wash stations are checked and tested monthly by FGMI Security and during pre-work inspections. The showers and eye-wash stations connected to the piped water supply are fitted with pressure regulators and

gauges (showing 25 to 30 psi). Fire extinguishers have check tags attached and are marked to document monthly checks. The extinguishers in the mill are dry ABC units except for a few CO_2 units located in areas where cyanide is not handled.

FGMI has recently installed MSDS 3E online on their portal. Workers have been trained in the use of the system and the system is managed by an outside contractor that keeps the MSDS complete and up to date.

FGMI has an incident reporting and investigation procedure (Accident/Incident Investigation Form) that covers all operations, including cyanide handling. There is also a process for reporting and investigating near misses. Incidents are investigated by the supervisor and a representative of Health and Safety. The process is reviewed by various levels of management depending on the level of the incident.

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 this Finding/Deficiencies Identified:

Emergency first aid equipment including shower and/or eye-wash facilities, trauma/oxygen kits, amyl nitrite stations and emergency respirators are located at strategic areas of the mill (e.g., cyanide unloading area, cyanide mixing area, and control room) where cyanide is present. The amyl nitrite kits are stored in refrigerators to maintain the kits within the temperature range recommended by the manufacturer. The site also maintains two cyanide antidote kits that are available to paramedics/doctors responding to an emergency. All mill workers are equipped with hand-held radios and there is also a GAI Tronics speaker system in the mill that provides an additional avenue for communication. The first aid equipment is checked monthly by security.

All employees are trained in first aid treatment for cyanide exposures through annual courses provided by DuPont. The mine also has a fully staffed emergency response team 24hr/day that have Emergency Trauma Training (ETT) or Emergency Medical Training (EMT) and an ambulance. The mine has a

Mutual Aid Agreement with Steese Ambulance and Volunteer Fire Department (SAVFD) to provide ambulance service as required. The average response time for SAVFD to reach the mine site is 20 minutes or less when they are met on route. US Army MAST will respond to provide emergency evacuations if needed. Fairbanks Memorial Hospital is aware of FGMI's response needs. Mock drills involving cyanide were conducted in March 2007 and September 2007. SAVFD participated in the September drill. FGMI also participated in a crisis communications drill in July 2007 that involved a complex scenario of a leaking tailings storage facility, dozer incident, damaged dam and fish habitat impact.

***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.

Describe the basis for the Finding/Deficiencies Identified:

FGMI has developed a Cyanide Emergency Response Plan that describes the standard procedures to be followed in the event of an unplanned release of cyanide from its operations. The plan which forms part of the mine Emergency Response Plan (ERP) includes initial response, first aid, spill response for possible emergency scenarios, including off site releases; mill solution and reagent spills; pipeline leakage, rupture or blockage, overtopping of ponds and impoundments; power outages and pump failures; and failure of cyanide treatment, destruction or recovery. The Emergency Response Plan addresses various response scenarios for cyanide spills. In case of an emergency situation the response process initiated follows the general emergency response requirements set out in Section 2 of the ERP. The plan is regularly reviewed and updated.

The Cyanide Emergency Response Plan considered the following failure scenarios: transportation accidents; releases during unloading; releases during

fires and explosions; pipe, valve and tank ruptures; overtopping of ponds; power outages and pump failures; uncontrolled seepage; failure of cyanide treatment, destruction or recovery systems; and failure of the tailings impoundments. A Tailings Storage Facility Emergency Response Guide is also provided to guide responses to unusual events, inspections, and initiation or required notifications. The area is a Level 3 seismic zone, and this was also considered in the development of the procedures.

FGMI takes title and risk of loss for the cyanide upon completion of delivery by DuPont into the mill complex sodium cyanide storage area. The transporter (Alaska West Express) and ultimately DuPont has responsibility for addressing an off-site incident. FGMI will provide support emergency response to incidents involving shipment of hazardous materials on route to the Fort Knox Mine at the request of Steese HAZMAT who would be the first responder.

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.

Describe the basis for the Finding/Deficiencies Identified:

FGMI has periodic meetings and communications with SAVFD regarding emergency response planning. SAVFD are also provided with a copy of the mine ERP and is invited to participate in mock emergency drills. FGMI has communicated and met with Fairbanks Memorial Hospital and MAST regarding emergency response. The hospital is aware of the use of cyanide at the mine and has the capability to respond as needed to treat an exposed patient. MAST would provide an additional option for airlifting a patient to the hospital in Fairbanks. A helicopter pad is available on the hill just behind the mill. There is a formalized agreement dated 26 February 2007 with SAVFD regarding cyanide response.

FGMI also undertakes substantial community outreach efforts with the local communities and provides information on cyanide in response to stakeholder requests.

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.

Describe the basis for the Finding/Deficiencies Identified:

The ERP designates management personnel as primary and alternative emergency response coordinators with the responsibility and appropriate authority to implement the plan. The General Manager is responsible for ensuring that the site has a trained emergency response team. The role and responsibility of each team member and their 24 hr contact information is provided in the Plan. A list of emergency response equipment is provided in the Plan. The equipment is checked monthly by security and more recently also by ERT members to ensure it is available and functional. The Plan also addresses the roles of outside responders.

FGMI has discussed cyanide response arrangements with Fairbanks Memorial Hospital (FMH), SAVFD, and the US Army Military Assistance to Safety and Traffic (MAST) program at Fort Wainwright. There is a formalized Mutual Aid Agreement dated 26 February 2007 with SAVFD regarding emergency response. These outside entities have been invited to participate in mock drills.

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.

Describe the basis for the Finding/Deficiencies Identified:

The ERP provides on site emergency response contact procedures. As described in the plan the discoverer announces "Mayday, Mayday, Mayday" over the radio and contacts security to provide prescribed information. Security then implements a set of emergency actions including advising radio silence; broadcasting emergency, location and assistance required; requesting equipment required, etc. The ERT team will notify security that they are responding and if

outside response assistance is required. Supervisors are responsible for contacting the on-call H&S representative. The H&S representative will notify management as required.

The SAVFD dispatch would provide required notification in the community. The FGMI Crisis Management Plan provides policies and procedures for communicating with the community and media regarding situations or events that impact the mine.

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.

Describe the basis for the Finding/Deficiencies Identified:

The ERP provides procedures for sampling of the discharged material and assessing the area of impact. These prescribe that spills of solid cyanide will be cleaned up with brooms and shovels and placed in appropriate containers. Soil exposed to cyanide solution will be sampled for WAD cyanide and anything greater than 10 ppm will be excavated. Recovered spill solid cyanide and contaminated soil will be placed into the process or tailings storage facility. Areas that cannot be excavated will be neutralized in place with calcium hypochlorite at the approval of the Environmental Department. The procedure provides guidance on the density of sampling to characterize the extent of impact and confirm remediation.

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.

Describe the basis for the Finding/Deficiencies Identified:

The Emergency Response Plan is considered a living document that can be updated as required. SOP "Updating ERP Following Mock or Actual Emergencies" sets out the responsibilities and procedure for evaluating the effectiveness of the ERP and the need to update. The Environmental Manager and Health and Safety Manager also review the ERP on an annual basis to determine its adequacy. The ERP was last updated 30 September 2007.

Two mock drills were undertaken in the last year that involved cyanide emergency scenarios. A mock drill conducted in March 2007 involved the rescue of an employee with cyanide exposure during the mixing of cyanide in the carbon area of the mill. A mock drill conducted in September 2007 involved a cyanide spill at the mill cyanide storage dock and included responding to a man down, and spill cleanup. SAVFD participated in this drill. The drills were evaluated and recommendations were implemented as appropriate.

In July 2007, a crisis communications drill was undertaken. The drill scenario involved a theoretical leak in the tailings storage facility with related incident that involved a bulldozer rolling, injuring the operator, and damaging the dam. It was also assumed that fish habitat was impacted.

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.

Describe the basis for the Finding/Deficiencies Identified:

New-hire and annual cyanide hazard recognition training (via DuPont representatives) is provided for all staff. All new hires attend 24 hrs of orientation training which includes facts about cyanide, and symptoms of cyanide exposure. Mill employees are also provided with general training that includes cyanide rescue, pH in the process, HCN monitors, respirator fit tests and MSDS. New employees are assigned to a supervisor and provided with a

development plan which includes additional specific training pertinent to their assigned work area. The plan is reviewed every 6 months. All employees attend annual refresher training in cyanide hazard recognition presented by DuPont. Training records related to operating procedures and practices involving cyanide are maintained in personal files and tracked on a database.

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.

Describe the basis for the Finding/Deficiencies Identified:

Training in operating procedures is provided by the responsible area supervisor with the assistance of the Mill Trainer. New employees are assigned to a supervisor and provided with specific training pertinent to their assigned work area prior to being allowed by the supervisor to work unsupervised. Training materials are largely confined to the governing SOP. The general and specific training elements (SOPs) required for a work area are summarized on a training sheet that is maintained by the supervisor. The area supervisors are qualified to train on the basis of their experience with the process elements they are responsible for. Safety training, including cyanide awareness and response is provided by the Mill Trainer and supplemented through annual DuPont training. Operational SOP changes, when they occur, are reviewed and discussed with the workforce during shift safety meetings.

Effectiveness of cyanide training is monitored by routine supervisory and periodic inspection actions, as well as through newly introduced work task reviews. FGMI also recently introduced a Cyanide Quiz for new hires and annual refreshers to evaluate the effectiveness of cyanide training. Records are maintained in the Mill Trainer's office and typically indicate the general training topic, the date of training, the trainer and attendees. Records are retained throughout the individual's employment.

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.

Describe the basis for the Finding/Deficiencies Identified:

New hires are trained in cyanide hazardous awareness, first aid and emergency response. All employees also complete annual refresher training. Decontamination and first aid requirements are described in the operational SOPs for cyanide operations; SOP training is provided by the responsible supervisors.

The emergency response team members participate in monthly emergency training exercises. Of these, each response team participates in at least two exercises each year that involve cyanide. In March 2007 and September 2007 FGMI also conducted mock drills that involved cyanide emergency scenarios. Off-site emergency responders are invited to participate in these emergency response exercises. The SAVFD participated in the September mock emergency drill. Debriefing meetings and evaluations are conducted after these exercises. Response deficiencies are recorded and future training exercises are planned to re-evaluate the emergency response team's performance to ensure that these deficiencies have been corrected.

Training records typically indicate the general training topic, the date of training, and attendees. Recently FGMI introduced a "Cyanide Quiz" for new hires and annual refresher courses to demonstrate effectiveness of cyanide 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.

Describe the basis for the Finding/Deficiencies Identified:

FGMI's Community Relations/Government Affairs coordinator is the primary contact for external inquiries regarding cyanide-related issues. Inquiries are logged, discussed with FGMI and Kinross Gold Corporation management, and responded to with appropriate management direction. FGMI also regularly offers mine tours to schools, community groups, and special interest groups undertakes a wide range of community outreach efforts and distributes general information about the use of cyanide. These efforts collectively provide many opportunities or points of contact for further inquiries or information requests regarding FGMI's use of cyanide. A log book of all cyanide-related information requests is maintained.

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.

Describe the basis for the Finding/Deficiencies Identified:

The mine actively participates in local community outreach activities, including local (primary and secondary) school tours, other mine tours for scientists and academics, public meetings, and public cleanup events). A logbook of formal presentations and engagement is kept that identifies stakeholders, discussion topics, and copies of the presentations or other information provided. With respect to the initiation of action in response to public inquiries, it should be noted that Kinross Gold Corporation has issued a draft communications and

media relations protocol that provides guidance for engaging FGMI and Corporate management resources in the initiation of appropriate responses. If a crisis situation were to occur, the Protocol invokes the provision of the Kinross (and by extension, FGMI) Crisis Management Plan, which ensures that appropriate regulatory agency notification contacts are made.

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.

Describe the basis for the Finding/Deficiencies Identified:

General explanatory information about the use of cyanide is available to the public via annually updated mine "fact books." The current (October 2007) fact book provides simple cross-sectional and plan views that describe the seepage collection and return system, as well as the downstream monitoring points, and discusses the monitoring system as well as the detection and correction of a recent excess seepage event at the south abutment of the Tailings Storage Facility embankment. The fact books are widely distributed in response to general requests for information.

No cyanide releases or exposure incidents have occurred in the years FGMI has been in operation. The excess seepage noted above did not constitute a release, but information was nevertheless provided in response to public interest and was also made available via the ADNR websites. The seepage event was reported to the appropriate regulatory agencies in compliance with governing permits. If a release were to occur, the same regulatory reporting protocols would likewise apply, and the information would be made publicly available by the agencies concerned (ADNR, ADEC, and USACE).