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

4th Quarter 2021 Edition

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Velcome to the International Cyanide Management Institute's (ICMI) Fourth Quarter 2021 Newsletter.

Report from Pact on Best Practices for Cyanide Use in the ASGM Sector

Although the Cyanide Code was developed for industrial operators, its principles can be useful as a reference for artisanal and small-scale gold mining (ASGM) facilities to make operations safer and more environmentally responsible, according to a report produced by international development, non-governmental organization Pact.

The report, <u>Best Management Practices for Cyanide Use in the Small-Scale Gold Mining Sector</u>, produced under contract to the <u>planetGOLD</u> program, a GEF-funded, UNEP-implemented initiative, stated: "The CN [Cyanide] code can be used as a frame of reference for actors to make concrete commitments and steps towards fostering safer and more responsible CN use in the ASGM sector." The report added: "The Code provides clear guidance regarding the safe management of '...cyanide that is produced, transported and used for the recovery of gold and silver, and on mill tailings and leach solutions.'"

The report provides guidance for ASGM stakeholders on managing the risks of cyanidation where national legal and regulatory frameworks permit its use, in light of the ASGM sector's transition from mercury use.

The International Cyanide Management Code has limitations on direct transferability to small-scale operations, which are typically undercapitalized and lack formal training and management policies and practices that are adequately structured and enforced. The purpose of this report is to address this gap. While the Code was not designed to directly address the ASGM sector, risks to human health and the environment from cyanide use in the ASGM sector are similar to those that exist in the industrial mining sector. However, the number of variables, including the lack of skilled operations management, the number of independent parties involved and the high number of individual sites where cyanide is being used, result in a risk profile for cyanide in the ASGM sector that is more difficult to assess and control.

Detailed and explicit expectations, requirements, and instructions on specific practices applicable to the ASGM sector remain in need of guidance and support. The report tracks the <u>nine principles of the Cyanide Code</u> and presents specific expectations for ASGM stakeholders as guidance for each principle, providing helpful insights on application of the Cyanide Code's requirements, best practices, and guidance within the ASGM sector.

Continued Signatory Growth

The Cyanide Code has continued to expand the number of companies participating in the program, with solid growth in all three signatory categories in 2021: miners up 15%, cyanide producers up 16%, and cyanide transporters up 7%. Overall, we have welcomed 25 companies this year (fourth best year of the past 17), including nine mining companies, and it is the best year of net growth since 2014. The number of new entrants at 25 compares favorably with the annual average of 13 companies. The number of departing signatory companies at four is significantly lower than the annual average of eight. As of December 31, the total number of signatories stood at 215, a net gain of 10% for the year.

Time Duration that Operations Remain Cyanide Code Certified Continues to Increase

The length of time that operations have been certified reflects long-term commitment to the Cyanide Code by both operators and signatory companies. The average length of time that mining operations have been certified continues to increase on an annual basis, and now stands at 9.2 years. Eighty-six of the 104 currently-certified mining operations have been certified more than once, and 50 of these 104 have undergone at least four certifications.

The average length of certification is over nine years for production operations, and 15 of the 34 certified production operations have been certified four or more times.

The average certification length for transport operations is about seven years, markedly less than for mining and production operations. This reflects a greater turnover in transport signatories and their operations, as transporters lose contracts or are no longer needed due to mine closures. Nonetheless, there are still 24 transporters that have been certified four or more times.

Notably, ICMI announced in December the recertification of the Cowal Operation in Australia (now owned by Evolution Mining). This is Cowal's eighth Code certification, with its first audit in 2006 being a pre-operational audit. Also in December, ICMI announced the recertification of the Marigold Mine (now owned by SSR Mining) in Nevada, representing Marigold's sixth Code certification. Marigold was the first operating mine to receive certification to the Code, almost 15 years ago, on January 2, 2007. At that time, the Marigold operation was a joint venture between Glamis Marigold Mining Company and Barrick Gold Corporation.

