

Golder Associates Inc.
44 Union Boulevard, Suite 300
Lakewood, CO USA 80228
Telephone: (303) 980-0540
Fax: (303) 985-2080
www.golder.com



**INTERNATIONAL CYANIDE MANAGEMENT CODE AUDIT
MIDAS MINE, NEVADA
SUMMARY AUDIT REPORT**

Submitted to:

*Newmont Mining Corporation
Midas Mine
Midas, Nevada 89414*



and

*International Cyanide Management Institute
1200 G Street N.W, Suite 800
Washington, D.C. 20005*

Submitted by:

*Golder Associates Inc.
44 Union Boulevard, Suite 300
Lakewood, Colorado 80228*

September 11, 2008

053-2280

Name of Project: Midas Mine (formerly known as the Ken Snyder Mine)
Project Owner / Operator: Midas Mine is operated by Newmont Mining Corporation,
Name of Responsible Manager: Mark Ward, Mine Manager

Address and Contact Information:

Midas Mine
HC 66, Box 125
Midas, Nevada 89414

Phone: 775-635-6436
Fax: 775-635-6460
Email: Mark.Ward@Newmont.com

Audit Dates: May 27-29, 2008

Auditors:

Brent Bailey, Lead Auditor
Scott Miller, Gold Mining Technical Expert Auditor

Location and Description of Operation

Newmont Mining Corporation (Newmont) owns and operates the Midas Mine (Midas), an underground mine and milling facility in Elko County, Nevada, near the small community of Midas. The operation is approximately 1.5 miles southeast of the town of Midas and 60 miles northeast of Winnemucca. Midas consists of an underground mine accessed by a decline portal and ramp system, a temporary waste rock pile, conventional crushing and mill facility with cyanide leaching tanks, cyanide destruction system, tailings impoundment, and various administration, process, and maintenance support facilities.

The mining uses both long-hole and shrinkage stope mining methods. Ore is transferred from the mine stopes using load-haul-dump (LHD) mining equipment and placed into a surface stockpile located outside the mine. Ore is trucked from the stockpile to a main ore stockpile located adjacent to the mill.

Ore processing begins with crushing in a two-stage crushing plant consisting of a jaw crusher and a cone crusher. After the ore is crushed and milled it is pumped to agitated cyanidation leach tanks for a 96 hour leach cycle. The tanks are located on concrete secondary containments with spill collection and recovery systems. The silver and gold bearing solution is rinsed from the ore solids using a conventional counter current decantation (CCD) circuit. The pregnant solution is then processed using Merrill-Crowe zinc precipitation process. The concentrate is treated in a vacuum retort and as a final processing step melted in a furnace to form the gold/silver doré product. The tailings separated in CCD have essentially been washed and the cyanide content reduced to approximately 25 parts per million. The washed tailings are conveyed to an INCO process cyanide destruction circuit which uses copper sulfate catalyst and ammonium bisulfite to reduce the weak acid dissociable (WAD) cyanide to a nominal concentration of 10 milligram per liter.

The Midas tailings storage facility has been constructed and operated using downstream embankment construction methods. The impoundment is constructed on an engineered compacted sub-base with a 60-mil HDPE liner system. To minimize hydraulic head on the liner system an internal drainage layer

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has been constructed on top of the liner system. Solution collected in the internal drainage system is conveyed to a collection pond where it is pumped back to the impoundment for re-use in the ore processing circuit. Tailings are discharged to the impoundment from a single discharge point that is moved to promote drying and consolidation. The tailing facility has been designed to be constructed in five phases with an ultimate storage capacity of approximately 6 million tons of tailings.

The Midas underground mine uses a dewatering and infiltration system to remove ground water encountered as mining advances. During the time of the audit all mine water was being conveyed to the tailings underdrain collection pond for use in the ore process. Water quality monitoring confirmed that the dewatering circuit is separate and distinct from the cyanide processing circuit until the blending with the tailings water.

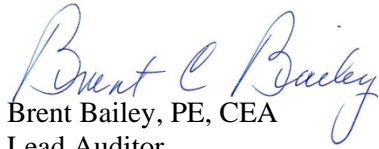
Midas receives liquid sodium cyanide from Cyanco located in Winnemucca, Nevada in specially engineered tanker trucks. The sodium cyanide is delivered by TransWood Inc. Both Cyanco and TransWood Inc. are signatory to the Code and have been certified as compliant with the Code by third-party auditors. Midas stores and manages sodium cyanide in engineered tanks, pipelines and lined ponds that have had appropriate quality control and quality assurance. Midas employees are trained in cyanide hazards and first aid, first response, emergency response, and specific operational task training. Midas facilities are fenced to preclude wildlife and livestock from entering cyanide process areas. Midas conducts daily and weekly inspections to assure that facilities are functioning as designed and to monitor process solutions. Preventive maintenance programs are in place to assure the continuous operations. Midas has approved closure and reclamation plans along with financial assurance to support the appropriate management of cyanide solutions and solids.

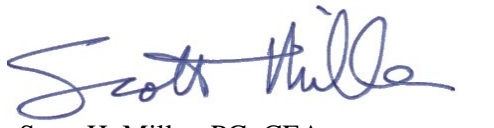
Signatures

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.

Respectively submitted by:


Brent Bailey, PE, CEA
Lead Auditor


Scott H. Miller, PG, CEA
Gold Mining Technical Auditing Expert

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Auditors Finding

in full compliance with
The operation is in substantial compliance with **International Cyanide**
 not in compliance with **Management Code**

Audit Company: **Golder Associates Inc.**

Audit Team Leader: **Brent Bailey**

E-mail: **[Brent Bailey@golder.com](mailto:Brent.Bailey@golder.com)**

Names and Signatures of Other Auditors:

Scott H. Miller _____  _____ September 11, 2008 _____
Name of Auditor Signature of Auditor Date

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 _____
Brent Bailey, PG, CEA

 _____
Notary Public
State of Colorado

My commission expires 11/01/2010



_____  _____ September 11, 2008 _____
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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.*

in full compliance with
The operation is in substantial compliance with **Standard of Practice 1.1**
 not in compliance with

Basis for Audit Finding: Midas has committed to only purchase cyanide from producers that are compliant with the International Cyanide Management Code (ICMC). Midas has a sodium cyanide supply contract with Cyanco. Cyanco is a signatory and ICMC certified cyanide producer.

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

Standard 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.*

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

Basis for Audit Finding: Midas has a sodium cyanide supply contract with Cyanco, which specifies that the operation takes ownership of the cyanide at the time of delivery, but does not define responsibility of ICMC Transportation Principles and Standards of Practice. Cyanco is by contract solely responsible for the production and transport of Sodium Cyanide to the delivery point at Midas. The contract between Midas and Cyanco specifies that Cyanco will ensure that the delivery agent adheres to all applicable federal, state, county, local and other applicable laws, rules, regulations, policies, and procedures while making deliveries. Cyanco is a signatory producer to the ICMC and subcontracts TransWood Inc. for transportation of the cyanide to Midas. TransWood has been certified by third party independent auditors as compliant with the ICMC with clear lines of responsibility for safety, security, release prevention, training, and emergency response.

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Standard of Practice 2.2: *Require that cyanide transporters implement appropriate emergency response plans and capabilities and employ adequate measures for cyanide management.*

in full compliance with

The operation is in substantial compliance with **Standard of Practice 2.2**

not in compliance with

Basis for Audit Finding: Cyanco is by contract solely responsible for the production and transport of cyanide to the delivery point at Midas. Cyanco is a signatory producer to the ICMC and subcontracts TransWood Inc. for transportation of the cyanide to Midas. TransWood has been certified by third party independent auditors as compliant with the ICMC with appropriate emergency response plans and capabilities and have adequate cyanide management control measures.

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

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

in full compliance with

The operation is in substantial compliance with **Standard of Practice 3.1**

not in compliance with

Basis for Audit Finding: The design and construction of the cyanide unload and storage facilities have been completed appropriately as documented in final design and construction drawings prepared and stamped by a Nevada registered Professional Engineer. The cyanide unload and storage facility quality control and assurance procedures and documentation include construction level drawings with detailed specifications noting foundation compaction and concrete reinforcement and piping and tank materials. In addition, these facilities have, as part of the project permitting process, been reviewed and approved for continued use by the cyanide supplier and the Nevada Division of Environmental Protection. The liquid cyanide storage tank has a high-level alarm and level indicator. Midas has a single liquid cyanide unloading and storage tank. The unloading and storage area is located away from public access and no surface water bodies are nearby. The storage tank is located outside with adequate ventilation. The cyanide unloading and storage area is within a concrete containment to contain releases and precipitation that may contact cyanide. Incompatible chemical are stored in separate concrete containment areas. As also covered under Standard of Practice 4.7, the containment areas are constructed for spill prevention and the containments sized to contain volumes greater than the single largest tank plus a design storm event. Fenced security is provided around the mine site with additional fencing around process ponds. The delivery of liquid cyanide is performed in specially engineered tanker trucks.

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Standard of Practice 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.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 3.2**
- not in compliance with

Basis for Audit Finding: Midas has developed Standard Operating Procedures (SOPs) to prevent exposure and releases of cyanide during unloading, storage, and application. The SOPs consist of “Cyanide Handling”, “Safe Job Procedure for Cyanide Solutions”, and “Cyanide Equipment Decontamination.” Midas uses inspection forms and uses a computer database preventative maintenance program that identifies and tracks all maintenance activities at the offload and storage tank area. As also covered under Standard of Practice 4.1, Midas has implemented an inspection program that includes daily pre-shift walk around and formal monthly inspections; findings are entered into work orders when required. The offloading SOP includes detailed information on the operation of valves and couplings. Midas requires appropriate PPE and observation by an operator during the offload. Both the transporter and operator check to confirm that the storage has sufficient capacity for the offload. The Midas operator is trained in the transporter PPE requirements, emergency procedures, locations and proper operation of valves, and emergency shut off locations.

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

Standard of Practice 4.1: *Implement management and operating systems designed to protect human health and the environment utilizing contingency planning and inspection and preventive maintenance procedures.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 4.1**
- not in compliance with

Basis for Audit Finding: Midas has developed and implemented operator task-specific SOPs that address protection of human health and the environment for operation of the cyanide mineral leaching process. These SOPs were found to have adequate contingency planning, routine inspections, and a preventive maintenance program. SOPs address all the cyanide management tasks such as unloading and storage of cyanide; operation of the carbon-in-leach systems; operation of the INCO SO₂ cyanide destruct circuit; and the tailings management system. Midas has a standard operating procedure for Change Management entitled “Construction Management Plan” that requires review and approval by mine technical staff.

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The facility's design and operating parameters, described in the Operating Plan and incorporated into the Water Pollution Control Permit, Permit NEV96107, and the Fluid Management Plan, are included in the operating procedures. These documents include descriptions of procedures for safe management of the tailings impoundment and ponds such as maintaining a 3 foot freeboard within the impoundments and ponds, regular pumping and monitoring of leak detection and leak collection systems; and reporting of quarterly supernatant pond quality. The Fluid Management Plan covers the operation water management strategies during Emergency or Unusual Operating conditions. Contingency planning documents have been developed and implemented to support the process pond management and solution inventory to address power failure, and extreme rainfall management. Midas has a backup generator to ensure that essential process equipment and systems operate.

Midas has established inspection programs with inspection frequencies on a shift and monthly basis. These inspections are sufficient to assure and document that the cyanide facilities are functioning within the design parameters. Inspection information includes performance of the impoundment, pond leak detection systems, and pond levels. Midas has inspections that include regular testing of the backup power generator. Midas uses a computer based preventive maintenance system, Ellipse, to identify, issue work orders and document all preventive maintenance activities.

Standard of Practice 4.2: *Introduce management and operating systems to minimize cyanide use, thereby limiting concentrations of cyanide in mill tailings.*

in full compliance with
The operation is in substantial compliance with **Standard of Practice 4.2**
 not in compliance with

Basis for Audit Finding: Midas receives ore for milling from the onsite underground mine. The original Midas design defined the operating cyanide dose in the first leach tank as 1.0 grams per liter (g/L) based on bottle roll tests and feasibility test work. Current cyanide application is 0.8 or 0.7 g/L. This lower rate was determined through optimization of the process circuit. The internal Midas ore has grade variations but based on cyanide consumption recovery rates do not vary significantly. Midas evaluates the cyanide addition in the first carbon-in-leach (CIL) tank using an automatic control that analyzes cyanide content from the last CIL tank every 20 minutes. If the cyanide content is lower than the target, the addition set point is increased in the first tank. Cyanide content and pH are analyzed manually using a titration method several times per shift to double check the automated control. Midas employs an INCO SO₂ cyanide destruction system that is used to limit concentrations of cyanide in the spigot discharge of tailings.

Standard of Practice 4.3: *Implement a comprehensive water management program to protect against unintentional releases.*

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

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Basis for Audit Finding: Midas has developed a comprehensive water balance that meets the requirements of a water management program addressing the uncertainty and variability of climatic data to prevent overtopping. Process facility inspection procedures and data collection programs have been implemented to update the water balance model on a monthly basis. Midas has a weather station and measures and records precipitation data for incorporation into the model and operational planning. Daily shift inspections include underdrain collection pond level and available freeboard monitoring that is incorporated into the water balance model and operational planning to prevent potential overtopping.

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

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

Basis for Audit Finding: Midas destroys cyanide to below 10 milligrams per liter (mg/L) WAD cyanide in the slurry prior to discharge to the engineered tailings storage facility (TSF). So both the supernatant pond on the surface of the TSF and the associated reclaim water pond are nominally 1 mg/L WAD cyanide concentrations. No other process ponds on the site contain cyanide; all other processing solutions and slurries are contained in tanks and pipelines. Midas's facilities include a perimeter fence around the entire property and wildlife fencing around the facilities, ponds, and tailings decant pond to further prevent wildlife and livestock access. Midas does wildlife monitoring and mortality reporting for the TSF and underdrain collection pond, which, over the life of the mine, indicates that the wildlife and livestock protection measures are working.

Standard of Practice 4.5: *Implement measures to protect fish and wildlife from direct and indirect discharges of cyanide process solutions to surface water.*

in full compliance with
The operation is in substantial compliance with **Standard of Practice 4.5**
 not in compliance with

Basis for Audit Finding: Midas is designed and operated for zero-discharge of process fluids. Operation performance history, design criteria and the project water balance indicate that facilities' operation is consistent with the zero-discharge requirements. Monitoring information indicates no impact to ground water or surface water quality has occurred from the processing facilities, reagent storage and TSF. Spill prevention and emergency response plans have been developed to comply with the zero-discharge operating requirements.

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

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 4.6**
- not in compliance with

Basis for Audit Finding: The regional ground water beneficial use has been classified as drinking water source. Accordingly, the project construction and operation include a number of seepage control technologies. The TSF and underdrain collection pond have been constructed with liners to prevent seepage. The TSF is completely lined with 60 mil HDPE liner underneath the impoundment footprint. Additionally, the liner extends up the embankment face for complete containment of the tailings. The TSF has been designed to promote evaporation and develop consolidated tailings. Excess water is decanted off the impoundments and conveyed back to the process circuit. The underdrain systems under the two impoundments are constructed to minimize the hydraulic head on the liner and promote consolidation of the tailings. The underdrain includes 6 inch pipes bedded in drain rock on the HDPE liner that report to an internal collection zone adjacent to the embankment and ultimately to the underdrain collection pond. The ground water quality monitoring data indicate that the beneficial ground water uses have been protected. Midas does not use mill tailings as underground backfill.

Standard of Practice 4.7: *Provide spill prevention or containment measures for process tanks and pipelines.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 4.7**
- not in compliance with

Basis for Audit Finding: The Midas operation has secondary curbed concrete containments for all cyanide storage and processing areas. Other secondary containments include pipe-in-pipe and geomembrane-lined channels. The secondary containments in the cyanide unload and storage areas have been designed to contain the volume of at least 110 % of the largest tank and a design storm event. Secondary containment in the process area has automated pumping systems for management of tank leakage. SOPs have been developed to address management of spill response and clean-up within the containments. Review of the operation indicates that all tanks, piping and containments are constructed of materials appropriate for handling high pH cyanide solutions.

Midas does not have any perennial or ephemeral surface water bodies that require special protection needs for pipelines. All pipelines have secondary containment, either as a pipe-in-pipe configuration or a pipe within an HDPE lined containment.

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Standard of Practice 4.8: *Implement quality control/quality assurance procedures to confirm that cyanide facilities are constructed according to accepted engineering standards and specifications.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 4.8**
- not in compliance with

Basis for Audit Finding: Quality control / quality assurance (QC/QA) documentation for the cyanide storage and process facilities includes the original design package drawings and construction modifications from 1997. These design drawings including the construction modifications provide the detailed information for soil compaction, piping and tank steel specifications, concrete and reinforcement specifications. The project construction of the TSF has been verified by qualified engineering companies and includes detailed QC/QA data collection and documentation for the four phases of construction completed to date. The QC/QA documents indicate that the construction was completed according to engineering standards and specifications. QC/QA for the TSF included foundation preparation, embankment fill, embankment drains, underdrain collection piping, drain rock sizing verification, liner boot details and geomembrane quality assurance and all supporting test work. Cyanco, the cyanide manufacturer for Midas, provided the design drawings for the 25,000 gallon storage tank in a Professional Engineer's stamped design drawing package. The cyanide unload and storage facilities have been reviewed and approved annually by Cyanco. Cyanco conducts annual inspections and prepares annual reports on the continuing suitability of the unload and storage facilities. Midas has committed to retain all QC/QA information in the Environmental Office.

Standard of Practice 4.9: *Implement monitoring programs to evaluate the effects of cyanide use on wildlife surface and ground water quality.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 4.9**
- not in compliance with

Basis for Audit Finding: Midas has environmental monitoring programs developed to evaluate the performance of the cyanide management systems on wildlife and ground water quality. Midas provides wildlife mortality training to all employees with an annual refresher. Each employee is responsible for filing a report should they encounter wildlife mortality. The animal cannot be moved without permission from the Environmental Department. The environmental programs have been prepared and approved by qualified professionals and implemented by qualified personnel and include all appropriate sampling and analysis documentation including sampling protocols, chain of custody, and quality assurance. Midas conducts monitoring at frequencies adequate to characterize the ground water, seepage collection systems, leak detection systems, wildlife, and process solutions. Ground water samples are collected and analyzed on a quarterly basis. The seepage collection systems are sampled on a quarterly basis. The leak detection systems are pumped on a weekly basis and reported as a daily average. The wildlife monitoring is continuous while employees are outside on the property. Process solutions are monitored at least daily and in many cases several times per day.

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

Standard of Practice 5.1: *Plan and implement procedures for effective decommissioning of cyanide facilities to protect human health, wildlife and livestock.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 5.1**
- not in compliance with

Basis for Audit Finding: Midas has developed a written closure plan and cost estimate to address Nevada State mining reclamation requirements that includes decommissioning of all cyanide equipment, pipelines, and facilities. Midas has developed an implementation schedule that considers the treatment and evaporation of all process solution, detoxification and rinsing of equipment, and removal and decommissioning of ponds and other containments. Midas is required to update the closure plan and estimated costs at least every three years with their Nevada reclamation permit and with project changes. The closure and reclamation plan includes an implementation schedule and performance monitoring.

Standard of Practice 5.2: *Establish an assurance mechanism capable of fully funding cyanide related decommissioning activities.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 5.2**
- not in compliance with

Basis for Audit Finding: Midas has developed cost estimates with sufficient financial resources for the funding of third party implementation of the decommissioning activities, including closure of the cyanide-related facilities and activities. Midas has established an approved financial surety to cover the full cost of cyanide facility decommissioning. The State of Nevada holds a financial surety from Midas for approximately \$4.63 million, with the cyanide detoxification, water management, and material stabilization being approximately \$2.33 million of the total. Midas reviews and updates the cost estimate at least every three years as required by their permit requirements and the State of Nevada regulations.

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

Standard of Practice 6.1: *Identify potential cyanide exposure scenarios and take measures as necessary to eliminate, reduce and control them.*

in full compliance with

The operation is in substantial compliance with **Standard of Practice 6.1**
 not in compliance with

Basis for Audit Finding: Midas has identified potential cyanide exposure scenarios and developed procedures and programs to eliminate, reduce and control exposure. Midas' individual task specific SOPs provide details for safe operation of cyanide equipment, personal protective equipment requirements, and inspection requirements. Midas has weekly health and safety meetings to provide information and training to employees as well as solicit input from employees on worker safety issues. Midas has a "Change/Construction Management Plan" procedure "To identify, assess and control risks associated with changes to programs, facilities, equipment, materials or mining/operating processes prior to implementing these changes that impact the work-site". An integral part of the Construction Management Plan is a Hazard Assessment that evaluates potential impacts on worker health and safety. All changes are communicated to the workforce and training requirements updated.

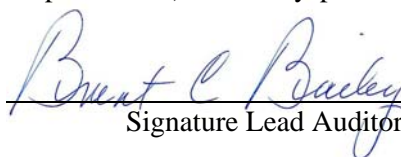
Standard of Practice 6.2: *Operate and monitor cyanide facilities to protect worker health and safety and periodically evaluate the effectiveness of health and safety measures.*

in full compliance with

The operation is in substantial compliance with **Standard of Practice 6.2**
 not in compliance with

Basis for Audit Finding: Midas has developed SOPs for the cyanide usage areas designed to prevent the generation of hydrogen cyanide (HCN) gas. In addition, key cyanide process facilities are located outside or in well ventilated buildings with HCN monitors in strategic locations. Midas has defined process equipment and standard operational plans for control of cyanide, caustic, pH and metabisulfite or ammonium bisulfate (used for cyanide destruction). Fixed cyanide monitors with warning alarms set at 4 parts per million (ppm) are installed in critical locations – the reagent room, the Acacia Process Area, and the sampling shack above the INCO – SO₂ cyanide detoxification mix tank. Midas also has mobile HCN detectors for use in confined space entry and maintenance work. Midas has established requirements for personal protective equipment at all relevant process areas and for all cyanide-related activities. Midas has implemented monitoring equipment maintenance and calibration programs. Shower and eyewash stations are located at the cyanide offloading areas and throughout the process areas. The emergency showers and eyewash stations operate properly with sufficient volume and low pressure at the eye wash nozzles. Midas has installed non-acidic fire extinguishers at relevant cyanide usage areas. Midas provides the cyanide safety information (Material Safety Data Sheets and first aid procedures) at all key process locations and on the Midas

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Intranet. The MSDSs are in English, the language of the workforce. Midas and Newmont Corporate have implemented an accident investigation process to report and investigate all cyanide related incidents.

Warning signs are located in areas of cyanide usage to alert workers that cyanide is in use and include the use of PPE. Unloading, storage, mixing and process tanks and piping containing cyanide are identified to alert workers of their contents; and the direction of cyanide flow in pipes is designated.

Standard of Practice 6.3: Develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

in full compliance with

The operation is in substantial compliance with **Standard of Practice 6.3**

not in compliance with

Basis for Audit Finding: Midas has developed an Emergency Response Plan (ERP) and implemented the Plan through training and installation of emergency response equipment. Midas has safety equipment including safety showers with eye wash stations, first aid equipment (amyl nitrite, medical oxygen and resuscitator), an emergency response vehicle, and employee first aid training. The locations for the emergency equipment are in temperature controlled areas; and the amyl nitrite antidote is stored in accordance with the manufactures requirements. The cyanide antidote kits are regularly inspected and replaced as specified by the manufacture's expiration date. All first aid kits are inspected monthly for presence of oxygen bottle, oxygen mask, 1-way pocket valve mask, first aid instructions, amyl nitrite, signage, and emergency contact information. The Midas Operation has employees trained to serve as First Responders; and all Mill Employees have received cyanide first aid training. They are trained to provide first aid for cyanide exposure including methods for administering oxygen and amyl nitrite. In the event of a worker exposure Midas will provide on-site first aid and provide a kit with intravenous cyanide antidote for transport with the patient to the local hospital. Midas has determined that the local hospital has adequate, qualified staff, equipment and expertise to respond to cyanide exposures; and has made formal arrangements with the hospital to treat cyanide exposed workers. Midas has conducted cyanide exposure drills and tests the relevant emergency procedures at least once per year.

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

Standard of Practice 7.1: *Prepare detailed emergency response plans for potential cyanide releases.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 7.1**
- not in compliance with

Basis for Audit Finding: Midas has developed and implemented an ERP and procedures to respond to cyanide related emergencies and emergency control management that address potential cyanide releases including containment plans and analysis of potential scenarios. The ERP lists available emergency equipment and its location, i.e., medical and first aid, fire fighting, rescue equipment, chemical spill or release, containment and cleanup materials, communications equipment and Mobile Equipment. An Emergency Call-out List provides telephone number for responders and entities that would provide emergency services. The emergency response plan requires a review annually or after an emergency situation.

Standard of Practice 7.2: *Involve site personnel and stakeholders in the planning process.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 7.2**
- not in compliance with

Basis for Audit Finding: The ERP has been prepared to include trained, on-site personnel from Midas and from the nearby Twin Creeks mine also owned and operated by Newmont Mining Corporation. Midas has on-site fire fighting capabilities, fully equipped emergency response vehicle, HazMat vehicle and certified First Responders, fire-fighters and HazMat personnel. Midas' emergency response teams are trained to respond to all potential cyanide incidents at the site. Midas' ERP has been developed with the involvement and input of their workforce. Midas' workforce has the ability to participate in the emergency response planning process through weekly safety meeting and mock drills. Midas involves site personnel in mock drills and revises the emergency response as needed.

Standard of Practice 7.3: *Designate appropriate personnel and commit necessary equipment and resources for emergency response.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 7.3**
- not in compliance with

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Basis for Audit Finding: Midas has committed in the ERP the necessary personnel, emergency response equipment, and response procedures to manage all cyanide incidents at the operation. Midas' ERP defines the individuals (primary and alternate) in charge of an emergency situation and identifies individuals that will make up an emergency response team (ERT). Specific duties and responsibilities of the coordinators and team members are defined in the ERP. The ERP provides a Call-out flow diagram and includes call-out procedures and 24 hour contact information for coordinators and response team members. The ERP describes employee training and an "Emergency Response Teams Training Program" that covers training on multiple emergency situations. The ERP provides contact information and defines roles for off-site responders.

Midas has made arrangements for the nearby Twin Creeks Mine (Newmont) to assist Midas with emergency response. In a mock drill, the Twin Creeks Mine Rescue Team was activated to assist the Midas simulated emergency. Midas has made formalized arrangements with Humboldt General Hospital regarding the role the hospital would play in the event an employee was overexposed to cyanide.

Standard of Practice 7.4: *Develop procedures for internal and external emergency notification and reporting.*

in full compliance with

The operation is in substantial compliance with **Standard of Practice 7.4**

not in compliance with

Basis for Audit Finding: Midas' ERP and Operating Plan detail the procedures (including current contact telephone numbers) for internal and external emergency notification and reporting. The ERP incorporates the Newmont Rapid Response (NRR) system that addresses notifications and communications with the public. The NRR notification process includes a matrix relating the type of incident (event) to the type of Rapid Response team that is assembled. There are three types of response teams that could be employed for possible emergency situations. That is, "Emergencies that can be handled with site personnel will be supported by the Site Rapid Response Team (SRT). Emergencies needing off site support will be supported by the Regional Rapid Response Team (RRT) or the Corporate Rapid Response Team (CRT) depending on the severity of the incident." A low level incident, site contained, requiring regulatory reporting would be addressed by a SRT; and would involve providing information to employees and the Community of Midas of the nature and extent of a release. An incident resulting in offsite contamination and regulatory reporting would be addressed by a RRT or a CRT and would involve notification of nearby communities, such as Midas, and the news media. "The structure of the NRR can be established quickly and expanded depending upon the changing conditions of the incident." Additionally, the ERP provides contact information for management, the Mine Safety and Health Administration (MSHA), the State of Nevada, the Elko and Humboldt Sheriffs, and the Humboldt General Hospital.

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

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

Basis for Audit Finding: Midas has prepared cyanide response and remediation plans that address appropriate uses and situations for cyanide treatment chemicals. Midas has developed plans to sample and monitor soils and ground water in the event of a cyanide spill. In the event of a spill or release, process solutions in temporary containment are neutralized and pumped back to the processing facilities. Contaminated soils also can be returned to the processing circuit; and debris is removed from the site and disposed of at appropriate, approved disposal facilities.

Standard of Practice 7.6: *Periodically evaluate response procedures and capabilities and revise them as needed.*

in full compliance with
The operation is in substantial compliance with **Standard of Practice 2.2**
 not in compliance with

Basis for Audit Finding: Midas has conducted mock drills to test and evaluate the procedures in the ERP. The results of the mock drills are used to modify and update the Emergency Response Plan, if needed. Midas has committed to annual evaluation and update of the ERP.

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

Standard of Practice 8.1: *Train workers to understand the hazards associated with cyanide use.*

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

Basis for Audit Finding: Midas provides training to all employees on the hazards of cyanide and provides annual refresher training. Midas retains all cyanide training records for all employees. The cyanide related performance assessment tests are also retained in the employees' permanent record.

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Standard of Practice 8.2: *Train appropriate personnel to operate the facility according to systems and procedures that protect human health, the community and the environment.*

in full compliance with
The operation is in substantial compliance with **Standard of Practice 8.2**
 not in compliance with

Basis for Audit Finding: Midas has prepared and implemented SOPs for cyanide management tasks that detail health and safety procedures for all aspects of cyanide unloading, handling, mixing and storage, cyanide destruction system, heap leach operations and the TSF.

Midas requires Mine Safety and Health Administration (MSHA) and Hazard Communication (HAZCOM) training, and specific departments receive additional specific training for their work area (e.g., carbon columns, carbon leach, and INCO SO₂ system). Midas' training program identifies the specific cyanide management elements that each employee must be trained in to perform that specific job properly. All new employees are required to have the "Cyanide Safety" class. Also employees who work in areas where cyanide is used are trained on cyanide safety and are required to pass a written test before working in the area. Midas' employees are trained annually on usage procedures and hazards associated with cyanide. MSHA and HAZCOM are included in the annual refresher training. Additionally, training includes periodic (weekly) safety meetings that include instruction and training on cyanide. Midas uses written tests to evaluate the effectiveness of cyanide training and those training records are retained throughout an individual's employment documenting the training they receive. The records include the names of the employee and the trainer, the date of training; the topics covered, and test results demonstrating an understanding of the training materials. Trainers are MSHA and HAZCOM certified, First Responders, and have received the Cyanco "Train the Trainer" training.

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

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

Basis for Audit Finding: Midas has provided emergency response training for all production and maintenance personnel to cyanide releases. Midas has developed procedures and plans for cyanide-related tasks that include responses to emergency conditions. Employees assigned to specific areas where cyanide is an integral part of the process, such as unloading, mill operations, and maintenance, are trained on the safe use and handling of cyanide. The training includes the use of process SOPs, instruction in response actions, first aid procedures, and decontamination for cyanide release incidents. Employees are subject to competency evaluation prior to working in an area. Additionally, the ERP and SOPs define the response actions required by operators if a person is exposed to cyanide or if there is an environmental release.

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Midas has an ERT comprised of full-time employees trained in first aid and use of resuscitation equipment. The Emergency Response Coordinators and Emergency Response Team members are trained on the procedures and guidelines outlined in the ERP including the response to a cyanide spill, release, or emergency. Training records are retained documenting the employee training on cyanide use and safety. The records include the names of the employees and the trainers, the date of training; the topics covered, and any test results demonstrating an understanding of the training materials.

The ERP identifies the Twin Creeks Mine Rescue Team, Cyanco Emergency Response personnel, and the hospital as outside responders. The Twin Creeks Mine Rescue Team is called in the event of any activation of the ERP. If a release is a result of unloading or transportation, Cyanco, is to be notified immediately. If a medical emergency or illness occurs that requires patient transport to the hospital, Mine Dispatch will call Humboldt County Sheriff Dispatch and request a rendezvous with an ambulance. Midas, Twin Creeks, and Cyanco have worked together on emergency response training and mock drills. The Newmont Midas operation has a working relationship with the nearby Newmont Twin Creeks operation (with employees holding positions that serve both operations) where the Twin Creeks emergency response team can be contacted and used to help Midas with an emergency situation. Additionally, Midas has exchanged communications with Humboldt General Hospital on the use of cyanide at the site and the ability of the hospital to respond to a cyanide emergency. Midas is committed to at least one annual mock cyanide emergency response drill that will include both human exposure and environmental release. The drill will be analyzed and improvements made to training procedures and the emergency response plan as required.

9. DIALOGUE: *Engage in public consultation and disclosure.*

Standard of Practice 9.1: *Provide stakeholders the opportunity to communicate issues of concern.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 9.1**
- not in compliance with

Basis for Audit Finding: Midas provides the opportunity to communicate issues of concern with the public through community communication sessions that Midas sponsors and conducts. At these meetings, the members of the general public and government leaders are encouraged to attend and discuss issues related to the mining operation including the use of cyanide. Newmont provides a toll-free telephone number and internet email address for the public to call or email if they have concerns regarding Midas. Opportunities for public input were available during the development and review of the water pollution control permits for Midas.

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Standard of Practice 9.2: *Initiate dialogue describing cyanide management procedures and responsively address identified concerns.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 9.2**
- not in compliance with

Basis for Audit Finding: Midas provides the opportunity to communicate issues of concern with the public through contact with the local stakeholders during mock drills, the community communication sessions and public tours.

Standard of Practice 9.3: *Make appropriate operational and environmental information regarding cyanide available to stakeholders.*

- in full compliance with**
- The operation is** in substantial compliance with **Standard of Practice 9.3**
- Not in compliance with

Basis for Audit Finding: Midas provides quarterly reports to the Nevada Division of Environmental Protection (NDEP) Bureau of Mining Regulation and Reclamation that includes a summary of cyanide spills and releases, and environmental performance monitoring. These reports are available to the public by request. Midas is required to complete MSHA reports that would include any cyanide related worker exposure or death. Newmont provides operational and environmental information in Newmont's annual corporate sustainability report, "Beyond the Mine" and on Newmont's website (<http://www.beyondthemine.com/2007/>). The website has an environmental record for spill management and cyanide incidents and includes Midas.

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