

Summary of Revisions to the Code and its Implementing Documents

The Board of Directors of the International Cyanide Management Institute (ICMI) approved a number of changes to the Code and its implementing documents. The changes, effective today, October 26, 2009, are summarized below, and the revised documents are now posted on the ICMI web site.

1. Requirement That All Cyanide Producers and Transporters be Code Signatories

Since the Code's inception, cyanide producers and transporters that did not elect to become signatories have been allowed to demonstrate that they management cyanide responsibly by having "Code-equivalent, non-certification" audits of their operations. However, ICMI does not review the reports of Code-equivalent, non-certification audits for completeness, and no summaries of these reports are posted on the ICMI web site for public review. The lack of assurance that these audits are complete and comprehensive, and the fact that the results are not available to the public, has been a cause of concern. The Board determined that the Code should be revised to end the use of Code-equivalent, non-certification audits and, instead, require that all producers and transporters providing cyanide to certified mines become Code signatories and have their operations certified in compliance with the Code.

ICMI posted a notice on its web site on June 12, 2009 advising stakeholders of its intent to make this change and that public input would be accepted for a one-month period. ICMI also discussed the proposed change with the Industry Advisory Group (IAG), which is comprised of all Code signatory companies. The IAG was in full support of the elimination of Code-equivalent, non-certification audits, as were the few comments ICMI received from stakeholders that are not Code signatories. Several Code auditors contacted by ICMI also supported the proposal.

The changes to the Code and its supporting documents to implement this specific revision consist of deleting all references to Code-equivalent, non-certification audits, and applying consistent signatory and certification requirements to cyanide producers, cyanide transporters and gold mines. Pursuant to Section 2.7 of ICMI's By-Laws, these changes were approved by a supermajority of the Board (a majority of Board members present, plus two additional votes) at its October 10, 2009 meeting.

The following documents, now posted with the approved revisions, have been revised as indicated:

1. Code
 - Paragraph 3 under Code Implementation - Deleted reference to demonstration of responsible cyanide management via Code-equivalent, non-certification audits
2. Implementation Guidance
 - Standard of Practice 1.1 - Deleted references regarding demonstration of Code compliance via Code-equivalent, non-certification audit and substituted requirement for cyanide to be produced by certified operation of Code signatory producer

- Standard of Practice 2.2 - Deleted references regarding demonstration of Code compliance via Code-equivalent, non-certification audit and substituted requirement for cyanide to be transported by certified operation of Code signatory transporter
3. Auditor Guidance for Use of the Gold Mining Operations Verification Protocol
 - Standard of Practice 1.1
 - Question 1 - Deleted reference to demonstrating Code compliance via Code-equivalent, non-certification audit
 - Question 2 - Deleted references to demonstrating Code compliance via Code-equivalent, non-certification audit and also deleted references to questions 3 and 4 - these questions are deleted from the Verification Protocol because they address Code-equivalent, non-certification audits of cyanide producers
 - Questions 3 and 4 - Deleted because they address Code-equivalent, non-certification audits of cyanide producers
 - Question 5 - Renumbered as question 3; Reference to Code-equivalent, non-certification audits deleted; Revised to require cyanide producers to be Code signatories and have their operation certified
 - Standard of Practice 2.1
 - Questions 1 and 2 - Deleted references to Code-equivalent, non-certification audits; Required cyanide transporters to be Code signatories and have their operation certified
 - Standard of Practice 2.2
 - Deleted references to alternative of demonstrating Code compliance via Code-equivalent, non-certification audit
 4. Auditor Guidance for Use of the Cyanide Transportation Verification Protocol
 - General Guidance
 - Section 1 - Deleted references to Code-equivalent, non-certification audits
 - Section 2 - Deleted references to non-signatory consignors
 - Section 7 - Deleted discussion of non-signatory transporters
 - Section 9 - Deleted discussion of non-signatory transporters
 - Transport Practice 1.1 - Deleted references to non-signatory transporters
 5. Gold Mining Verification Protocol
 - Standard of Practice 1.1 - Revised to require certification of all transporters and deletes questions 3 and 4, as they address demonstrating compliance via Code-equivalent, non-certification audits
 - Standard of Practice 2.2 - Revised to require certification of all transporters and deletes questions 3 and 4, as they address demonstrating compliance via Code-equivalent, non-certification audits
 6. Pre-Operational Gold Mining Verification Protocol
 - Standard of Practice 1.1 - Questions 1 and 2 revised to require certification rather than allow a demonstration of Code compliance via a Code-equivalent, non-certification audit
 - Standard of Practice 2.2 - Question 1 revised to require certification rather than allow a demonstration of Code compliance via a Code-equivalent, non-certification audit

7. Cyanide Production Verification Protocol
 - Introduction - Added “repackaging” operations as subject to the Production VP, to clarify existing Code interpretation; Revised to require producers to be signatories and have operations certified; Deleted references to demonstrating responsible cyanide management via Code-equivalent, non-certification audits
8. Cyanide Transport Verification Protocol
 - Introduction - Revised to require transporters to be signatories and to have their operations certified; Deleted references to demonstrating responsible cyanide management via Code-equivalent, non-certification audits
9. Signatory Application Form
 - Instruction 6 - Revised to delete references to and Code-equivalent, non-certification audits; Revised to clarify requirements to notify ICMI if “non-certified” cyanide is used by a certified gold mine

ICMI has developed a process to address the transition from prior requirements to these new ones. Please click *here* to view the transition process.

2. Authorization for Consignors to Become Code Transport Signatories and Certify Designated Supply Chains

During discussions with the IAG regarding elimination of the use of Code-equivalent, non-certification audits, it became clear that requiring all transporters to be certified would only be workable if consignors could become Code signatories and have multi-carrier supply chains certified. This approach better reflects the manner in which much of the transport of cyanide is actually conducted, with cyanide producers and other consignors taking responsibility to contract and oversee transport companies. This option also would accommodate transporters that did not wish to become signatories due to the relatively minor significance of cyanide as part of their overall transport activities. The great majority of input from IAG companies focused on how requirements for signatory consignors should be structured.

ICMI’s public notice of June 12, 2009 also addressed the possibility of such a change and solicited input on this particular issue. All commenters supported this change, and ICMI’s Board of Directors approved changes to a number of Code documents to implement it.

The following key elements to allow consignors to become Code transportation signatories are incorporated into the revisions:

- A new definition has been added to the Code’s Definitions and Acronyms defining a “consignor” as “an entity which arranges for and oversees the transport of cyanide along a route or portion thereof from its point of production to a certified gold mine or gold production facility. A consignor is considered to be a cyanide transporter for purposes of becoming a Code signatory.”

- Consignors are authorized to sign the Code as cyanide transporters, and designate multi-carrier “supply chains” for certification.
- Consignors define the extent of their supply chains, but all truck transport, railways, rail terminals, ocean carriers and ports used by the consignor for transport of cyanide to certified gold mines must be included within its supply chains.
- Certification of a consignor supply chain requires a Code Verification Audit of the consignor’s procedures for selection of its contract carriers and selection of overall transport routes, for its oversight of its carriers, and for its provision of any services (e.g., emergency response) to its carriers, as well as for its implementation of these procedures.
- Certification of a consignor supply chain also requires a Code Verification Audit of each individual truck transporter and a Due Diligence Investigation of each rail and ocean carrier, rail terminal and port within each supply chain.
- The requirements for Due Diligence Investigations of rail and ocean transport remain unchanged. However, these reports must be included in the supply chain documentation submitted to ICMI and will also be posted on the web site as part of the supply chain’s Summary Audit Report.
- A consignor can change individual carriers within a certified supply chain during its certification period, but must submit a revised signatory application to ICMI identifying the change as well as an addendum to its Verification Audit Report addressing the new carrier, within 9 months of the new carrier initiating its activities.

The following documents, now posted with the approved revisions, have been revised as indicated:

1. Signatory Application Form
 - Instruction 1 - Revised to specifically include consignors and supply chains
 - Instructions 2 & 3 - Revised to describe consignor supply chains and information to be provided in Part II of the Application Form
 - Instruction 6 - Revised to require a signatory consignor to notify ICMI of a change to a certified supply chain
2. Definitions
 - Definitions of *broker, consignor, co-producer, distributor, sale agent* and *transporter* added
3. Auditor Guidance for Use of the Cyanide Transportation Verification Protocol
 - General Guidance
 - Section 1 - Revised to establish consignors as transporters and delete references to Code-equivalent, non-certification audits
 - Section 2 - Revised to identify consignor as a transporter, and delete discussions applicable to non-signatory consignors

- Section 9 - Revised completely to address the majority of the Code changes; former Section 9 addressed Non-Certification Audits; now addresses Consignor Supply Chain Audits and Due Diligence Investigations; Some text moved from Section 7 to new Section 9
- Section 10 - Revised to describe supply chain and due diligence certification reports
- Transport Practice 1.1 - Revised discussion of the role of a transport signatory consignor
- Transport Practices 1.2, 1.5 and 3.0 - Revised to clarify the role of a transport signatory consignor

ICMI has developed a process to address the transition from prior requirements to these new ones. Please click *here* to view the transition process.

3. Revision to Auditor Guidance Regarding Recommendations Made in Peer Reviewed Scientific Studies

This change provides additional guidance regarding the recommendations made in scientific studies presented by a gold mine in support of alternative means of meeting Standard of Practice 4.4. The guidance for question 1 under this Standard has been strengthened to clarify that study recommendations are mandatory requirements that must be implemented for an operation to be in compliance with the Code. Additionally, the guidance now requires that any changes to study recommendations be supported by a scientific study and peer review similar to the initial study that established the recommendations.

4. Elimination of Some Notarization Requirement

At present, notarized signatures are required for three Code documents. Auditors must have their signature notarized on the attestation of professional conduct in the Summary Audit Report, and the letter from an audited facility authorizing ICMI to post the Summary Audit Report and Corrective Action Plan, if necessary, on the Code web site must include a notarized signature. Additionally, notarization of the lead auditor's signature on the Auditor Credentials Form is required. ICMI believes that notarization of the attestation in Summary Audit Report and authorization letters provides no real value but only adds cost and delays certifications, and the Board has approved the deletion of these requirements. However, the requirement for notarization of lead auditor's signature on the Auditor Credentials Form is being retained.

The following documents, now posted with the approved revisions, have been revised to implement this change:

1. Auditor Guidance for Use of the Gold Mining Operations Verification Protocol
 - General Guidance Item 13 is revised to eliminate the requirement for a notarized signature on the letter authorizing ICMI to post the Summary Audit Report and Corrective Action Plan, if necessary, on the ICMI web site
2. Summary Audit Report for Gold Mines
 - Instruction 2 is revised to eliminate the requirement for a notarized signature on the Summary Audit Report

- Instruction 5 is revised to eliminate the requirement for a notarized signature on the letter authorizing ICMI to post the Summary Audit Report and Corrective Action Plan, if necessary, on the ICMI web site
3. Summary Audit Report for Cyanide Production
 - Instruction 2 is revised to eliminate the requirement for a notarized signature on the Summary Audit Report
 - Instruction 5 is revised to eliminate the requirement for a notarized signature on the letter authorizing ICMI to post the Summary Audit Report and Corrective Action Plan, if necessary, on the ICMI web site
 4. Summary Audit Report for Cyanide Transport
 - Instruction 2 is revised to eliminate the requirement for a notarized signature on the Summary Audit Report
 - Instruction 5 is revised to eliminate the requirement for a notarized signature on the letter authorizing ICMI to post the Summary Audit Report and Corrective Action Plan, if necessary, on the ICMI web site

5. Consistent Use of Terminology

Two Code documents have been changed for consistent use of terminology. The term “Audit Findings Report” is used in several sections of the Code rather than “Detailed Audit Finding Report,” which is used throughout other Code documents. Similarly, the term “Action Plan” is used in the Code and the Verification Protocol for Cyanide Transport rather than “Corrective Action Plan,” which also is used throughout other Code documents.

The following documents, now posted with the approved revisions, have been revised to use terminology consistent with other Code documents:

1. Code
 - In the Sections titled *Code Verification and Certification & Code Maintenance*, the terms “Audit Findings Report” and “Action Plan” have been changed to “Detailed Audit Findings Report” and “Corrective Action Plan” respectively.
2. Cyanide Transport Verification Protocol
 - In the Introduction, the term “Action Plan” has been revised to read “Corrective Action Plan.”