
FINAL COMPLETION REPORT

Acacia Bulyanhulu Gold Mine

Introduction

This Final Completion Report presents the evidence to support the successful implementation of the Corrective Action Plan to correct the deficiencies identified in the ICMI recertification audit of Acacia Bulyanhulu Gold Mine, held from 29th June – 3rd July 2015.

Corrective Action Plan - 1

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

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

Deficiencies

- Currently, the WAD cyanide levels at the compliance point exceed the requirements due to extended new CIL Plant commissioning problems since July 2014. These exceedances have been frequent and in some cases, for extended periods of time. Furthermore, there has been one incident of bird mortalities on the TSF associated with elevated WAD cyanide levels.
- During the exceedance periods, there were no measures put in place to manage the increased environmental risk to birdlife of the higher WAD cyanide levels.
- WAD cyanide compliance levels are stabilising but there is insufficient data available to show that 50 mg/l, and below, WAD cyanide levels are sustainable.
- The new CIL Plant is designed with a detoxification section and once fully commissioned and optimised, should produce a WAD cyanide value less than 50 mg/l and thus not requiring any measures to keep wildlife away from the TSF and open waters. However, until WAD CN levels are sustainably compliant, the new CIL Plant needs to use additional measures to keep wildlife and birds away from the TSF.
- Until the WAD cyanide levels are reduced sustainably to below 50 ppm WAD cyanide, there is still an immediate environmental risk to birdlife which is one of the reasons for the finding of non-compliance.



Corrective Actions

- The successful and sustainable operation of the cyanide detoxification circuit of the new CIL plant.
- Continued collection of WAD cyanide data at the compliance point demonstrating sustainable WAD cyanide levels of below 50mg/l for a period of at least 6 months.
- Operational evidence of successful implementation of appropriate procedures and temporary measures to mitigate cyanide risks to birdlife during periods of exceedances of the 50mg/l WAD cyanide limit (where appropriate.)
- As a permanent measure the use of ferrous sulphate has been introduced and has been in use since August 11, 2015. It is dosed into the last detoxification tank (transfer tank to TSF) in case of any observed spike of cyanide in the control tank as per WAD analyser online results.
- As a short term measure, bird scarers at the TSF have been in use since July 2015 for the purpose of keeping the birds away from the risk area.

Evidence presented to Auditors

Additional evidence sighted by the auditors to confirm the corrective actions have been implemented effectively:-

- Reviews of WAD cyanide data show that the detoxification plant is in place and operating. A CIL Cyanide Detoxification Process Upset procedure, No. BGML-PRSWP4125, is in place and resulting investigation reports and corrective actions of upsets and exceedances have been reviewed and shown to be responsive and effective.
- Reviews of WAD cyanide data since the 25th July 2015 have shown a sustainable reduction of WAD cyanide levels to below 50mg/litre WAD cyanide. A number of spikes were noted towards the end of June 2016 which were investigated and resulted in corrective actions and a new procedure, CIL Cleaning and Inspecting the SMBS Inline Bucket Strainers BGML-PR-PY4132, being developed and implemented.
- Photographic evidence showed that the back-up bird scaring equipment continues to be in place, when required.

Corrective Action Plan - 2

Principle 5 – DECOMMISSIONING - Protect communities and the environment from cyanide through development & implementation of decommissioning plans for cyanide facilities.

Operations Practice 5.2 Establish an assurance mechanism capable of fully funding cyanide related decommissioning activities.



Deficiencies

- The Tanzanian Government requires an assurance mechanism for the three Acacia mines for the cost of the rehabilitation of its three mines. The draft agreement was sent to the Government and the Mine is awaiting finalisation of the insurance guarantees/bonds and subsequent approval. by the relevant Government department. The Ministry of Energy and Minerals are still reviewing the draft agreement for the bond.

Corrective Actions

- The mine is still awaiting formal, documented approval of its assurance mechanism for closure costing including cyanide decommissioning.

Evidence presented to Auditors

Evidence evaluated by the auditors to confirm the corrective actions have been implemented effectively:-

- The formal approval of the assurance method is still awaited from the Tanzanian government and thus the company has chosen to use the alternative method of using a Statement of Financial Strength to demonstrate its ability to adequately fund cyanide decommissioning on its sites. It is noted that the company has an insurance guarantee in place which adequately covers the funding of cyanide decommissioning.
- A statement of Financial Strength, prepared using 10 CFR 30, Appendix A, for all the Acacia operations, was sighted, undertaken by a Chartered Accountant, able to undertake audits, registered with the South African Institute of Chartered Accountants (SAICA), indicating that the Cyanide Code requirements were met. A South African Chartered Accountant (CA(SA)) is deemed the equivalent of a US Certified Public Accountant (CPA). It is noted that ICMI has accepted Statements of Financial Strength signed by US CPAs in the past and thus the credentials of the South African CA are deemed acceptable for this Statement.

Conclusion

The Lead Auditor, following discussions with the audit team, is satisfied that the corrective actions taken, meet the requirements of the corrective action plans and thus enable non-compliance and substantial compliance in the operations and decommissioning practices to be revised to Full Compliance.



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Lead Auditor
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