

22 June 2009

Project No. 087641126 010 L Rev0

Attention: Mr Norm Greenwald  
888 16th Street, NW, Suite 303  
Washington DC 20006  
United States of America

## **NEWMONT ASIA PACIFIC GRANITES GOLD MINE CERTIFICATION AUDIT CORRECTIVE ACTION PLAN IMPLEMENTATION VERIFICATION REPORT**

Dear Sirs

### **BACKGROUND**

Newmont Asia Pacific's Granites Gold Mine was conditionally certified under the International Cyanide Management Code For the Manufacture, Transport, and Use of Cyanide in the Production of Gold" (the Code) on 10 March 2009.

An operation is conditionally certified where it is determined via a Code Certification Audit that the operation is in substantial compliance with the Code and the conditional certification is subject to the operation implementing a Corrective Action Plan that brings it into full compliance with the Code.

The full implementation of the Corrective Action Plan and adequate notification to the Institute must be completed within one year of the Code Certification Audit. The maximum allowable one-year period begins with the posting of International Cyanide Management Institute's (ICMI) certification of the operation.

### **CORRECTIVE ACTION PLAN**

The Granites Gold Mine Summary Audit Report (Report No 087641126 005 R Rev 0, Golder Associates 2009) identified the following Standard of Practices as being substantially compliant with the Code:

- Standard of Practice 4.7 Provide spill prevention or containment measures for process tanks and pipelines.
- Standard of Practice 6.3 Develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

In response a Corrective Action Plan (The Granites Gold Mine Summary Audit Report Corrective Action Plan, Report No 087641126 006 R Rev 0, Golder Associates 2009) was developed. The Corrective Action Plan detailed the necessary actions to bring the operation into full compliance with the Code.

### **VERIFICATION OF CORRECTIVE ACTION PLAN IMPLEMENTATION**

A review of the evidence presented by the Granites Gold Mine supporting the full implementation of the Corrective Action Plan was conducted by Golder in June 2009. The review verified that the Granites Gold Mine had fully implemented the Corrective Action Plan within the specified timeframe.

The following sections detail:

- the original deficiencies observed;
- the corrective actions proposed by the Granites Gold Mine within the Corrective Action Plan;



- the evidence required to close out the corrective action; and
- a statement that the required evidence was observed and the Granites Gold Mine is fully compliant with the Standard of Practice and Element.

#### **CORRECTIVE ACTION 4.7.1**

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

*Element 1 Are spill prevention or containment measures provided for all cyanide unloading, storage, mixing and process solution tanks?*

#### **Deficiency**

At the time of the audit, two of the CIL Tanks at the Granites Gold Mine were constructed on ring beams. These tanks did not have leak detection or recovery systems within the ring of the tank. The ICMC Guidance Notes state that existing tanks on ring beams that are not monitored for leakage within the tank or ring beam can use a combination of monitoring in the environment (e.g., in groundwater or the unsaturated zone) and a risk-based inspection (RBI) program in lieu of full and competent secondary containment.

The Granites Gold Mine have monitoring bores downgradient of their leach and CIL tanks, with monitoring results showing WAD cyanide levels within accepted standards.

To satisfy the RBI component, the Granites Gold Mine engaged an engineering consultant to devise and implement a RBI programme at Granites Gold Mine using the Engineering Equipment and Materials Users Association (EEMUA) "Users Guide to the Inspection, Maintenance and Repair of Above Ground Vertical Cylindrical Steel Storage Tanks 159".

The lack of a fully implemented RBI programme was considered to be substantially compliant with this SOP.

#### **Corrective Action**

To obtain full compliance, the Granites Gold Mine needed to develop and implement a RBI programme and provide details on:

- the methodology used;
- the results of the initial tank inspection; and
- the inspection programme that is developed.

In addressing the first point, the auditor would need to see a document noting that EEMUA 159 was used and a description of how the operation addressed the key elements of EEMUA 159, such as:

- Planning the RBI assessment.
- Data and information collection.
- Identifying deterioration mechanisms and failure modes.
- Risk determination, assessment and management.
- Risk management with inspection activities.
- Other risk mitigation activities.
- Reassessment and updating.
- Roles, responsibilities, training and qualifications.
- Documentation and record keeping.

The date for full implementation of the Corrective Action Plan associated with this Standard of Practice was documented as 9 March 2010.

### **Evidence Observed**

The following documents were submitted to Golder Associates on 27 May 2009 by the Granites Gold Mine as evidence of achieving full compliance with Standard of Practice 4.7 of the Corrective Action Plan:

- Ionik Consulting, Risk Assessment Workshop Report - Granites (3002\_NEW\_07024001\_Rev 1). March 2009.
- Ionik Consulting, Inspection Monitoring and Repair (IMR) Strategy (3003\_NEW\_070240-01Rev 0). March 2009.
- Ionik Consulting, Damage Mode Analysis (7001\_NEW\_07024001 Rev 0). March 2009.
- Ionik Consulting, Tank History Summary-Granites (7004\_NEW\_07024001 Rev 1). April 2009.
- Ionik Consulting, Tank Plate Acceptance Methodology (7005\_NEW\_070240-01 Rev 0). March 2009.
- Ionik Consulting, Tank Availability Study-Granites (7007\_NEW\_07024001 Rev.0). March 2009.
- Ionik Consulting, Tank Inspection Plan-Granites (7008\_NEW\_070240-01 Rev 0). March 2009.
- Ionik Consulting, Project Execution and Quality Plan (8001\_NEW\_07024001 Rev 1). April 2009.
- Ionik Consulting, Tank Risk Based Inspection Methodology Procedure (8002\_NEW\_07024001 Rev.0). March 2009.

Based on a review of the evidence, it can be confirmed that the Granites Gold Mine has implemented the required corrective actions and is now in full compliance with Element 1 of Standard of Practice 4.7.

### **CORRECTIVE ACTION 6.3.6**

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

*Element 6 Has the operation made formalised arrangements with local hospitals, clinics, etc, so that these providers are aware of the potential need to treat patients for cyanide exposure? Is the operation confident that the medical facility has adequate, qualified staff, equipment and expertise to respond to cyanide exposures?*

### **Deficiency**

At the time of the audit, the operation had not made formalised arrangements with local medical providers, so that these providers were aware of the potential need to treat patients for cyanide exposure.

The lack of formal consultation is considered to be substantially compliant with this SOP.

### **Corrective Action**

To obtain full compliance, the Granites Gold Mine needed to undertake formalised arrangements with local medical providers, so that these providers are aware of the potential need to treat patients for cyanide exposure. At the time of the Audit, the operation indicated that this would be undertaken through a memorandum of understanding between the Royal Flying Doctor Service (RFDS) and the Granites Gold Mine.

The date for full implementation of the Corrective Action Plan associated with this Standard of Practice was documented as 9 September 2009.

### **Evidence Observed**

The following documents were submitted to Golder Associates on 18 June 2009 by the Granites Gold Mine as evidence of achieving full compliance with Standard of Practice 6.3 of the Corrective Action Plan:

- Letter from Granites Gold Mine Interim General Manager Operation to General Manager Alice Springs Hospital dated 9 January 2009.
- Letter from Granites Gold Mine Interim General Manager Operation to Chief Executive Office RFDS dated 9 January 2009.

Both letters provided:

- Descriptions of the site including its location and employee numbers.
- Confirmation of the long and important relationship established with the organization in the past for both medical issues as well as work related emergencies.
- Descriptions of some facts about cyanide including its physical form, the volumes used and stored on site, its purpose in the processing of gold, and the most likely point at which a person can come into contact with cyanide.
- Confirmation that tight controls on the use and storage of cyanide are in place, including strict procedures and adequate PPE along with emergency response capability through an Emergency Response Group that is trained in the immediate treatment of injured personnel and clean-up.
- Confirmation that the operation is well equipped to manage cyanide risks adequately, however there is nevertheless a risk of exposure to cyanide and under some circumstances, personnel may be exposed and required to be treated and managed by RFDS and/or Alice Springs Hospital staff.
- Request for RFDS and/or Alice Springs Hospital staff to make contact with the operation if they have any questions.

Although a memorandum of understanding was not established between the Royal Flying Doctor Service (RFDS) and the Granites Gold Mine as indicated in the Corrective Action Plan, the letters provided were an acceptable alternative.

Based on a review of the evidence, it can be confirmed that the Granites Gold Mine has implemented the required corrective actions and is now in full compliance with Element 6 of Standard of Practice 6.3.

### **STATEMENT OF COMPLIANCE**

Based on the evidence observed, I am satisfied that the Granites Gold Mine have fully implemented the Corrective Action Plan submitted to the ICMI and consequently the operation is fully compliant with the Code (refer Attachment A).

Should you require any additional information, please do not hesitate to contact me.

Yours faithfully

**GOLDER ASSOCIATES PTY LTD**



Ed Clerk  
Lead Auditor  
Associate and Manager Mining Environmental Services

EWC/ST/sp

Attachments: A – Corrective Action Plan Implementation Verification Statement  
B – Limitations

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**ATTACHMENT A**  
**Corrective Action Plan Implementation Verification Statement**



## CORRECTIVE ACTION PLAN VERIFICATION STATEMENT

**Name of Mine:** Granites Gold Mine  
**Name of Mine Owner:** Newmont Asia Pacific  
**Name of Mine Operator:** Newmont Tanami Pty Ltd  
**Name of Responsible Manager:** Francois Hardy, General Manager Operations  
**Address:** Newmont Tanami Operations  
PO Box 8020  
Alice Springs  
NT 0871  
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**Telephone:** +61 8 9423 6354  
**Fax:** +61 8 8993 8515  
**E-Mail:** [francois.hardy@newmont.com](mailto:francois.hardy@newmont.com)

## AUDITORS FINDINGS

**Audit Company:** Golder Associates  
**Audit Team Leader:** Edward Clerk, CEnvP (112), RABQSA (020778)  
**Email:** [eclerk@golder.com.au](mailto:eclerk@golder.com.au)

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 the Corrective Action Plan dated March 2009 has been implemented and the the Granites Gold Mine is:

- in full compliance with  
 in substantial compliance with  
 not in compliance with

**The International  
Cyanide Management  
Code**

Granites Gold Mine

Name of Facility

Signature of Lead Auditor

22 June 2009

Date

**ATTACHMENT B**  
**Limitations**

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