

Mining for Gold and Value at the Kinross Gold Mine

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Let's Deal With The Work

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Introduction

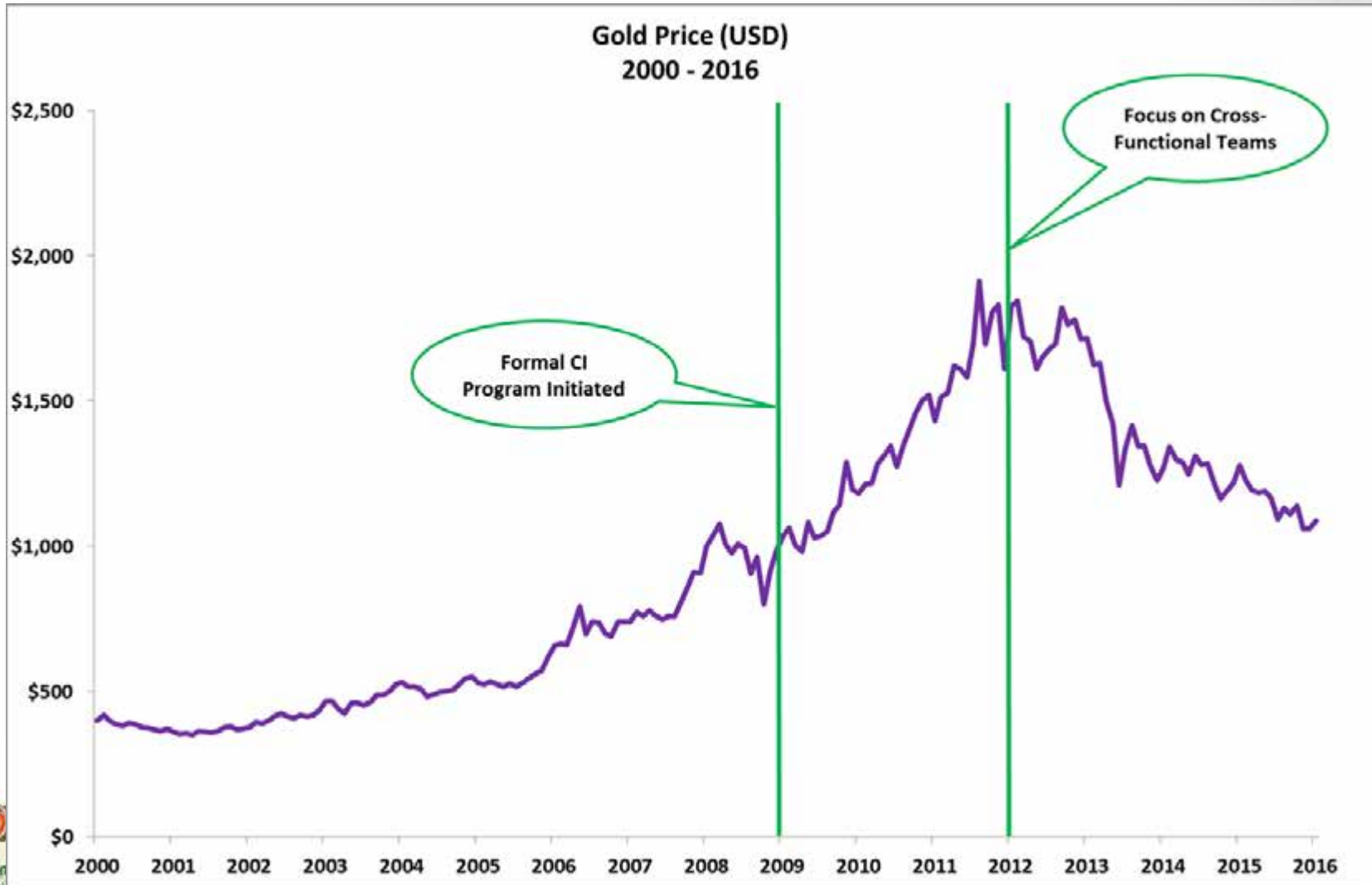
- Why are we successful? How did we do it?
 - Support from the highest level
 - Keep it simple
 - Don't force it
 - Integrate into everyday business
 - Listen and empower people
 - Recognition



It was too late



Gold Price Year 2000-2016



Round Mountain Mining History



1906 - 1915	1906 - 1940	1946 - 1959	1976	1985 - 2003	2002 - Present
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Underground Mining



← Key Pittman (Nevada Congressman)



Round Mountain Mining Today



Round Mountain, Nevada



- Located 270 north of Las Vegas and 240 miles southeast of Reno
- Over 13 Million Ounces of Gold Produced Since 1977
- ~900 Employees



Round Mountain Mining Today and the Future



Objectives

- How lean applies to mining and how any process can benefit
- Cross-functional benefits to optimization with lean facilitation
- How to capture improvement ideas from the people and knock down the walls of suggestion boxes
- Which key performance indicators often mask the truth and how to bridge the gap
- Common pitfalls to help you plan how you will apply lean principles and practices
- The power of fundamental principles for success
 - How to shift mindsets and behaviors using coaching and True North aligning
- Pull vs. push for lean cultural beliefs and training



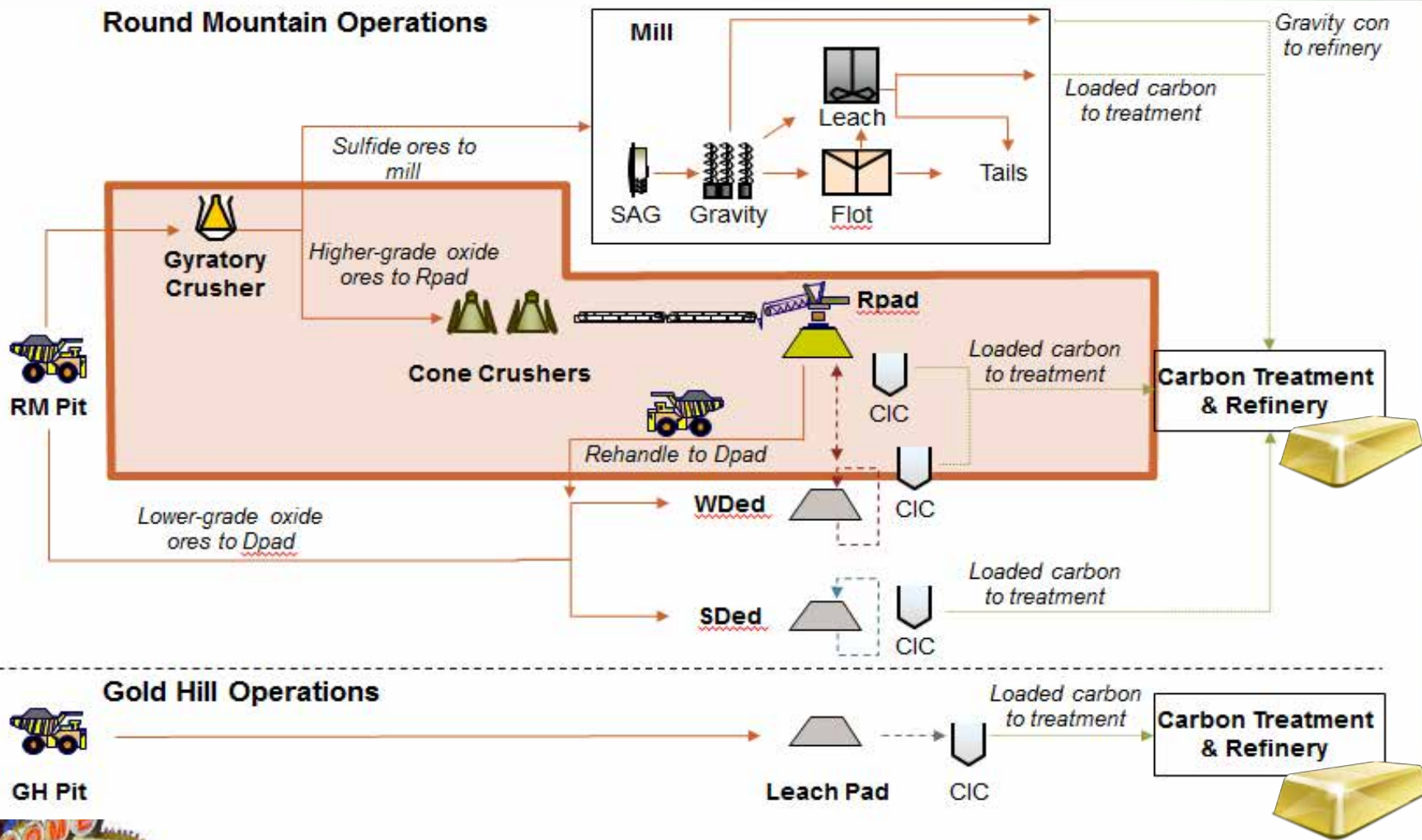
How lean applies to mining and how any process can benefit



Town of Round Mountain



How lean applies to mining and how any process can benefit -continued



How lean applies and how any process can benefit -continued



Value Streams vs. Functional 'Silos'



Cross-Functional Team

- What are they
 - Choose areas that are receptive
 - Cross departmental team to achieve a specific goal
 - Areas of large impact
 - Value stream
 - Critical path
 - Who touches the product
 - Having CI Facilitator to help break down silos
 - Support from Management at all kick off meetings
 - If it's important to my boss, it's important to me



Cross-Functional Team-continued



- Focus on value stream – How do we get more product?
- Break down paradigms – “We’ve always done it this way”
- **Pit Way Forward (PWF)**
 - A multi-department team focused on improving mining efficiencies and reducing costs
- **Leach Way Forward (LWF)**
 - A multi-department team focused on increasing leaching area and efficient use of solution to increase gold recovery



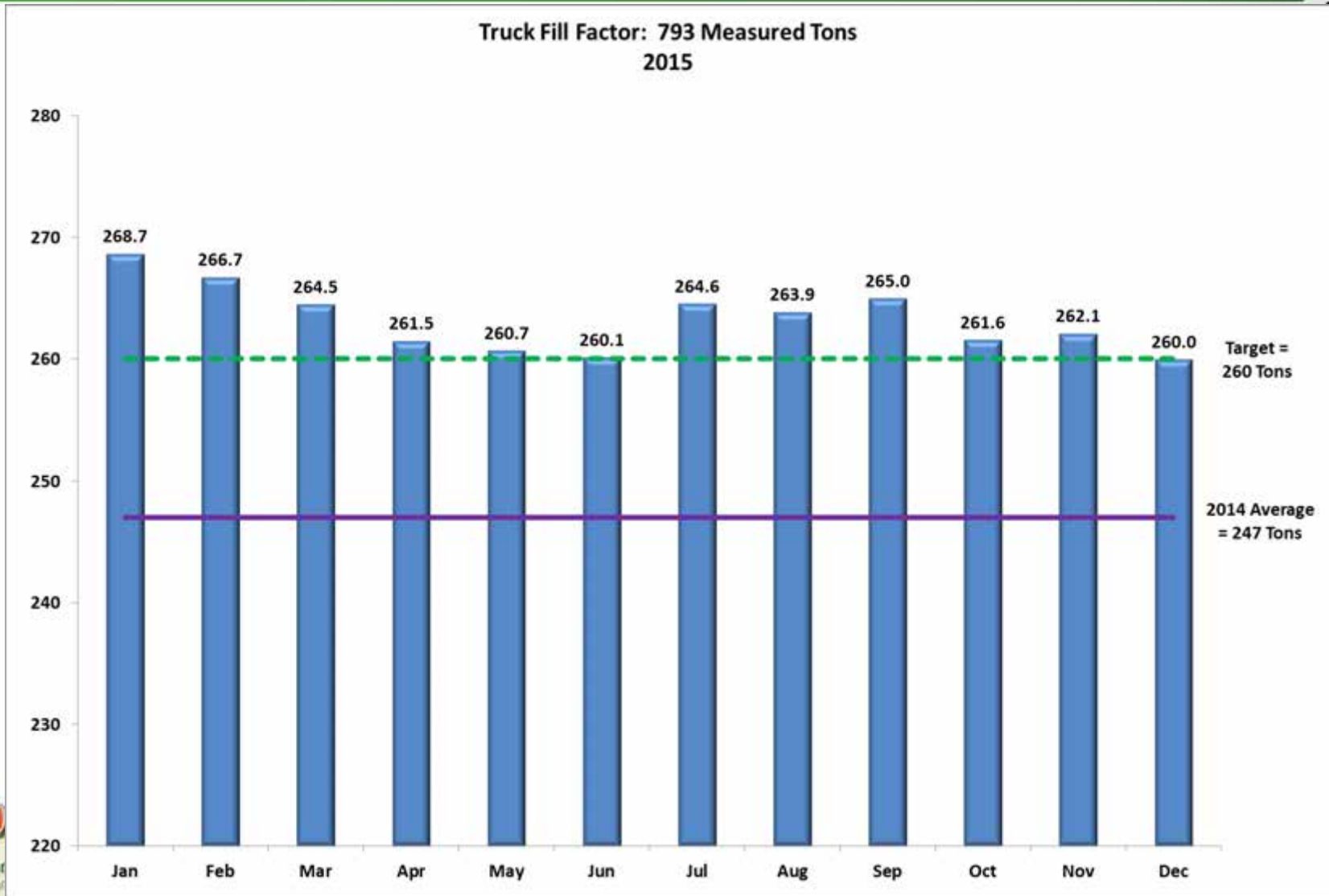
Cross-Functional Team Members



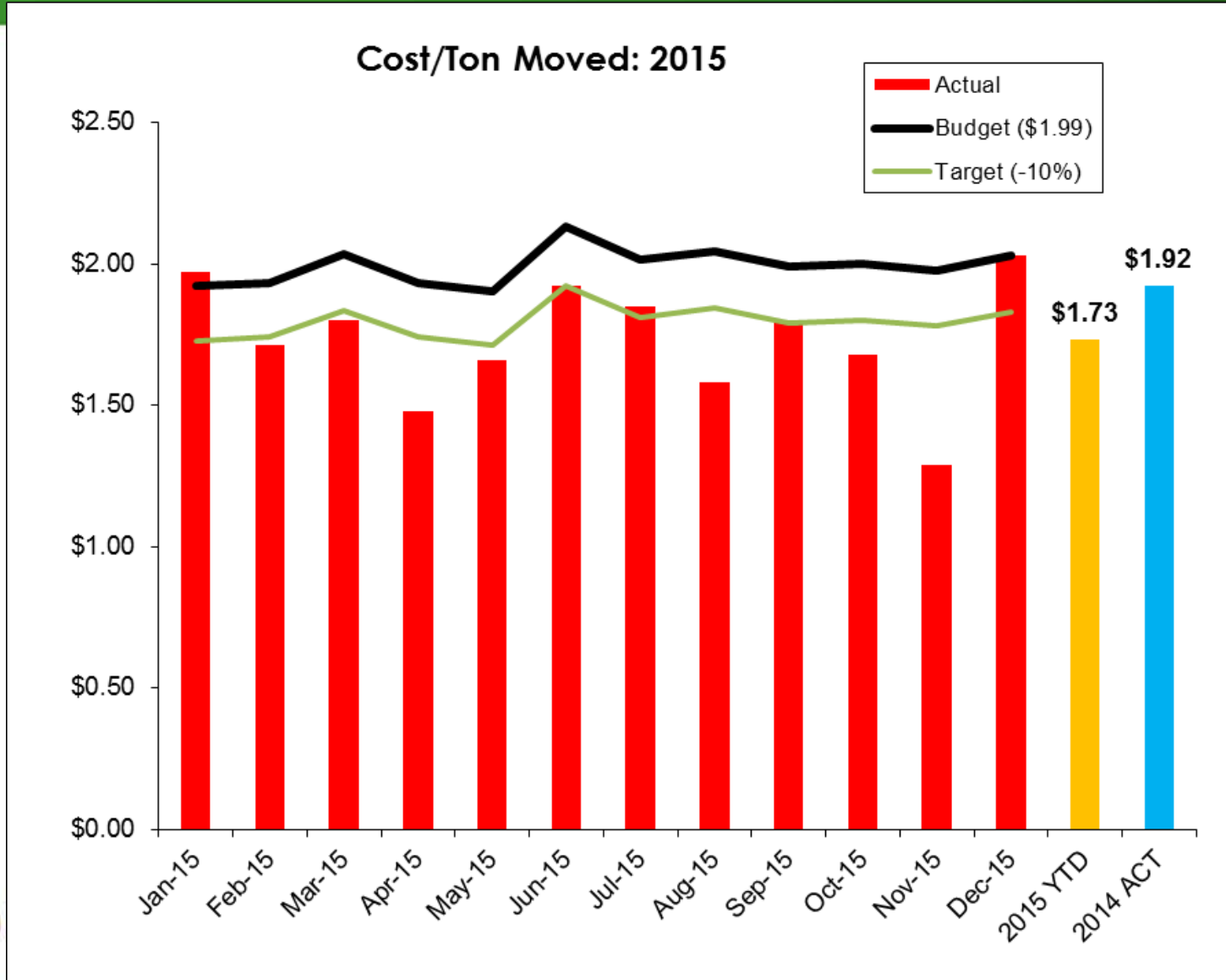
Cross-Functional Team Members



PWF-Loading Optimization



PWF- Bottom Line



LWF- Heap Leach Pad



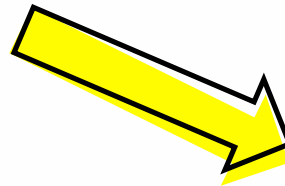
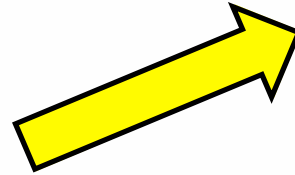
Raise the bar!



LWF- Heap Leach Pad - After



What do we do when we have an idea?

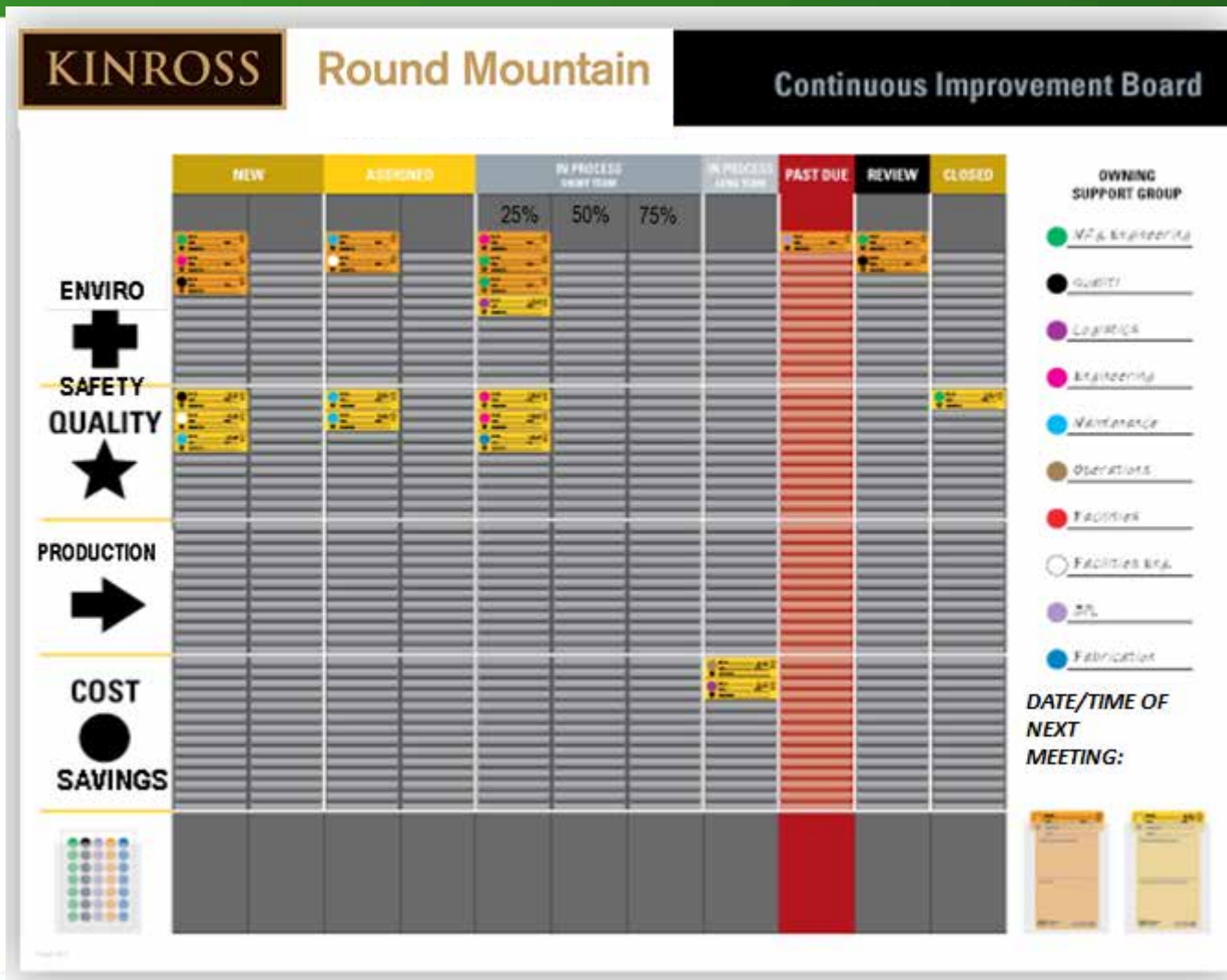


How to capture improvement ideas

- Employee engagement – where we were
 - Suggestion boxes
 - Gap in feedback
- Desired State
 - Feedback that is visual and transparent
 - Continuous flow of improvement ideas from workforce, support groups and management
 - What approach was taken?



How to capture improvement ideas



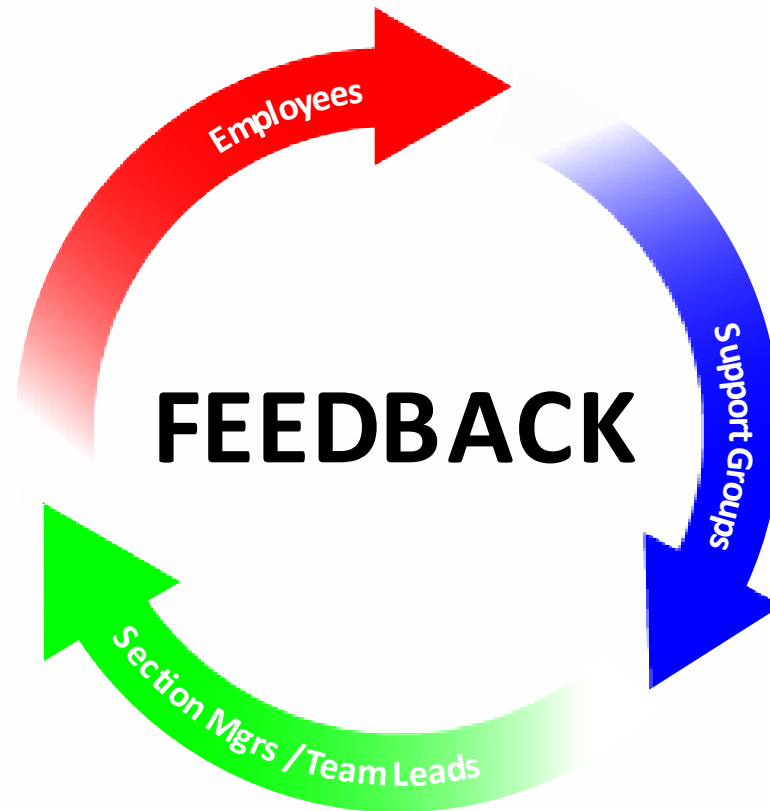
New ideas matter



Put it out there



CI Board Communication Process Flow



Feedback is important



CI Board Statistics 2015



Board	Closed	Completed	Open	Total
Mill/*Mill Maintenance	24	17	37	78
Met Lab	2	13	11	26
Assay Lab	2	12	12	26
Pad/ADR/Refinery	40	44	9	93
Truck Shop	28	20	32	80
ALPM	8	6	11	25
Mine	29	8	10	47
*Security	15	4	7	26
*Plant Maintenance	1	5	12	18
*General/Electrical Maintenance	4	7	14	25
Admin/Tech Services/Projects	8	10	16	34
*General Store	0	0	1	1
Total	161	146	172	479



CI Board Awards and Recognition



Key Performance Indicators



Key Performance Indicators



4th Quarter 2015 Key Results (as of December 31st)

Subject	2015 Target	YTD Actual	4QTD Target	4QTD Actual
Safety				
- LTI Frequency	0.0	0.07	0.0	0.00
- MSHA Reportable Frequency (TMIFR)	0.86	0.66	0.86	0.33*
- MSHA High Negligence Citations	0	0	0	0
Environmental				
- NOV (Notice of Violation)	0	0	0	0
- Federal Reportable Spill	0	0	0	0
- State Reportable Spill	0	3	0	0
Gold Ounces	364,863	385,159	96,588	99,599
Direct Mining Cost	\$871/oz	\$758/oz	\$824/oz	\$724/oz
Future Growth				
- Increase Reserves/Resources				
Phase W		Scoping Study June 2016		
Gold Hill		Additional 70k Ounces Added to Mineable Resources		
* One reportable removed from bonus calculation as a result of 75 "Free Lessons" reported in 4Q15				



Visual Key Performance Indicator (KPI) boards



Alignment

Vision

- What are we shooting for?

Communication

- Target vs actual
- How does it apply to them

Monitoring

- Achieving target
- Sustaining gains

Bottom line

- Process improvement
- Cost savings



How to shift mindsets and behavior?

- Embracing change
 - Identify change agents
 - Start small and show value
- Challenge beliefs
 - “We’ve always done it this way”
 - “It’s too hard”
 - “We tried that already, it didn’t work”
- Thinking outside the box
- Coaching and guiding
 - Saturate from new hire through experienced employees & supervisors



Cultural Beliefs



Share the Win:

I empower others to help get it done

Work Together:

I challenge myself to foster effective relationships by listening, considering, supporting & accepting

It's Possible:

I strive for effective, safe production today and for our future – **PHASE W**

My Money:

I pledge to operate RMGC with financial common sense



Common pitfalls

- Ensure clear expectations
- Proper alignment
 - How do you know?
- Not one size fits all
 - Diversity
 - Adaptability
- Accountability
 - Organizational communication and commitment
- Feedback
 - Success?
 - Areas for improvement?



Someone challenged me



Pull vs. push

- Lean leadership training
 - Who should attend?



Pull



Feedback from Workforce

Thanks for this opportunity to better myself, and the way I run my crew.

Any other comments are welcomed: THANK YOU. THIS IS THE BEST "REAL WORLD" LEADERSHIP TRAINING THAT I HAVE ATTENDED.

Any other comments are welcomed.
I appreciate having been given the opportunity to attend this class. I would really like to see more of this concept. I really believe it will help me to do much more for the company.

Thank you! Best class yet.

It was perfect. I have a lot of ideas that have already started popping in my head that I hope to share w/ others.

5. Any other comments are welcomed:

ERDIE AND FRICIE - THANK YOU! THIS TRAINING HAS SPARKED VERY POSITIVE CHANGE FOR ME AS A LEADER. I'M HOPING TO IMPLEMENT IT AS MUCH AS I CAN TO MEET MY EMPLOYERS "TRUE NORTH" AND MAKE ME A BETTER LEADER.



Summary – Raising the Bar

- Key Points
 - Support from the highest level
 - Most likely not successful without this support
 - Keep it simple
 - Don't force it
 - Integrate into everyday business
 - Listen and empower people
 - Recognition
- Yesterday's accomplishments are tomorrow's expectations
- If it's not broken, break it
- CI Team of 900



Questions

