



August 2010



## INTERNATIONAL CYANIDE MANAGEMENT CODE CYANIDE TRANSPORTATION AUDIT

# Australian Gold Reagents West Africa Supply Chain - Namibia, Summary Audit Report

**Submitted to:**

International Cyanide Management Institute  
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UNITED STATES OF AMERICA

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AUSTRALIA

REPORT

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## **AGR WEST AFRICA SUPPLY CHAIN - NAMIBIA, SUMMARY AUDIT REPORT**

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#### **APPENDIX A**

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## 1.0 INTRODUCTION

### 1.1 Operational Information

<b>Name of Transportation Facility:</b>	AGR West Africa Supply Chain – Namibia
<b>Name of Facility Owner:</b>	Not Applicable
<b>Name of Facility Operator:</b>	AGR
<b>Name of Responsible Manager:</b>	Peter Cooper, Commercial Manager – Sodium Cyanide
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### 1.2 Description of Operation

#### 1.2.1 CSBP Ltd and AGR Australia Limited

AGR is the management company of the unincorporated joint venture between CSBP Ltd (CSBP) and Coogee Chemicals Pty Ltd (Coogee Chemicals). CSBP, a subsidiary of Wesfarmers Ltd., is the major participant in the venture and acts as both plant operator and sales agent. Coogee Chemicals is a local manufacturer and distributor of industrial chemicals.

The AGR cyanide production facility is located within CSBP's fertiliser and chemicals complex at Kwinana, some 40 km south of Perth within the state of Western Australia. AGR produces and transports two different forms of sodium cyanide from the Kwinana production facility, namely solution and solids. Sodium cyanide solution is produced as a 30% liquid and solid sodium cyanide as a >97%, white briquette.

AGR in its capacity as the sales agent for is responsible for the overall management of the sodium cyanide transportation activities including emergency response.

#### 1.2.2 General Technical Services CC

General Technical Services CC (GTS) is a logistic company that is contracted by AGR to manage the transportation of cyanide within Namibia. GTS subcontracts the trucking component of cyanide transportation within Namibia to Wesbank while GTS provides convoy supervision.

#### 1.2.3 Wesbank Transportation Pty Ltd

Wesbank Transportation Pty Ltd (Wesbank) was founded in 1968. The company initially transported sand and crushed stone and then diversified into fishmeal and fish products. During this period, Wesbank acquired tractors and trailers to service the short-haul distances between the factories, the harbour and the rail terminal. To service the long-distance transport market, Wesbank gradually acquired appropriate handling, warehousing and transport facilities as the sector developed.

Wesbank's operations are now located in Walvis Bay. The facilities incorporate Wesbank's head office, an in-house weighbridge, an integrated synchronised fuel system, a tarpaulin cleaning system, a vehicle satellite tracking office and overnight facilities.

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### **1.2.4 Sodium Cyanide Transportation**

At the time of the audit, cyanide transported by GTS/Wesbank originated from the AGR cyanide production facility at CSBP's Kwinana complex. At AGR, solid cyanide is packaged in intermediate bulk containers (IBCs), which are in turn packed into a freight (shipping) container to be transported by sea from the Port of Fremantle at either Patricks or DP World Container Terminals to the Port of Walvis Bay. A maximum of 20 IBCs are packed into a freight container with a maximum gross weight of 28 tonnes.

Shipping between the Port of Fremantle and the Port of Walvis Bay is conducted by Maersk Australia Pty Ltd (Maersk) from the Fremantle DP World Container Terminal and by Mediterranean Shipping Company Australia Pty Ltd (MSC) from the Fremantle Patrick Container Terminal.

Prior to the arrival at Walvis Bay, GTS ensures that the shipping documentation is in order and the goods are pre-cleared to allow prompt handling of the product through the Port. GTS advises Namport (Namibian Port Authority) when a sodium cyanide shipment is due as well as the number of containers and vessel name.

Upon arrival at the Port of Walvis Bay, the off loading of all containers is performed under the management of Namport. Wesbank collects the containers within 24 hours of arrival and transports the containers to the designated area at Wesbank Walvis Bay Depot.

Once the containers are stored securely at the Wesbank Depot, customs clearance and all associated paperwork is completed by Wesbank. Once cleared, cyanide containers are loaded onto trucks operated by Wesbank and delivered to Anglo Gold Ashanti's Navachab Gold Mine. At the Navachab Gold Mine, the containers are offloaded by the mining company.

### **1.2.5 Transit Storage**

Within the scope of this audit there are no interim storages or transshipping depots, as defined in the audit protocol. Storage in transit does occur at the Port of Walvis Bay and Wesbank's Walvis Bay depot where containers are stored for customs clearance. After customs clearance, the cyanide containers are delivered directly to the mine. At no stage is cyanide removed from the containers prior to unloading at the Navachab Gold Mine.

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**1.3 Auditors Findings and Attestation**

in full compliance with

**AGR West Africa Supply  
Chain – Namibia is:**

in substantial compliance with

**The International  
Cyanide Management  
Code**

not in compliance with

**Audit Company:** Golder Associates

**Audit Team Leader:** Edward Clerk, CEnvP (112), RABQSA (020778)

**Email:** eclerk@golder.com.au

**1.4 Name and Signatures of Other Auditors:**

Name	Position	Signature	Date
Edward Clerk	Lead Auditor and Technical Specialist		4 August 2010

**1.5 Dates of Audit:**

The AGR West Africa Supply Chain – Namibia Certification Audit was assessed in August 2010 based on the following audit and due diligence reports:

- Due diligence of MSC shipping between the Port of Fremantle and the Port of Walvis Bay. The due diligence was undertaken by AGR in December 2008.
- Due diligence of Maersk shipping between the Port of Fremantle and the Port of Walvis Bay. The due diligence was undertaken by AGR in December 2008.
- Due diligence of the Port of Walvis Bay including Namport. The due diligence was undertaken by AGR in September 2008.
- ICMC Summary Audit Report for AGR, GTS and Wesbank. The audit was undertaken by Golder Associates on 4-6 February 2008.

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 Cyanide Transportation Operations* and using standard and accepted practices for health, safety and environmental audits.

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Signature of Lead Auditor

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Date



**2.0 CONSIGNOR SUMMARY**

**2.1 Principle 1 – Transport**

**Transport Cyanide in a manner that minimises the potential for accidents and releases.**

**2.1.1 Transport Practice 1.1**

**Select cyanide transport routes to minimise the potential for accidents and releases.**

**in full compliance with**

The operation is

in substantial compliance with

**Transport Practice 1.1**

not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR/GTS/Wesbank are in FULL COMPLIANCE with Transport Practice 1.1 requiring cyanide transport routes are selected to minimise the potential for accidents and releases.

**AGR**

AGR has implemented a procedure for the selection of transport routes that minimises the potential for accidents and releases or the potential impacts of accidents and releases. Routes are assessed prior to commencement of the initial transport. Ongoing monitoring is conducted through driver trip reports and consultation with the mines.

The route assessments and the risk assessments are reviewed annually or when necessary as part of the Transport Management Plan review. AGR also receives covey reports from GTS and Wesbank, which contain information on route conditions.

The transport routes have been analysed for risks and restrictions and numerous actions were identified and implemented to improve safety.

AGR in conjunction with GTS and Wesbank has consulted various stakeholders and applicable governmental agencies as necessary in the selection of routes and development of cyanide management measures.

AGR has advised external responders, medical facilities and communities of their roles and/or mutual aid during an emergency response.

All the elements of AGR’s cyanide transportation within Namibia are managed as a partnership between AGR and GTS and individual responsibilities are detailed within a Transportation Agreement between the two companies. The Transportation Agreement specifically notes that activities conducted by GTS are to comply with Code requirements.

AGR also have a contract in place with AngloGold Ashanti for the supply of sodium cyanide. The contract requires AGR to provide an annual Risk Assessment Report to AngloGold Ashanti assessing each transport leg.

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**GTS and Wesbank**

GTS and Wesbank participate in AGR's route selection and assessment and contribute to ongoing monitoring through the preparation of driver trip reports.

At the completion of each convoy the Convoy Leader compiles a convoy report containing updated information on route conditions, which can be used to re-evaluate the route.

The transport routes have been analysed by GTS for risks and restrictions and numerous actions were identified and implemented to improve safety.

GTS and Wesbank have consulted various stakeholders and applicable governmental agencies as necessary in the selection of routes and development of cyanide management measures.

Convoys are used as a means of managing the risks of the road conditions (traffic and people, road workers) and responding to emergencies. There are no overnight stopover points and the convoys do not proceed if unusual safety risks are present on the road. Security risks are not normally encountered.

Assistance programs with the Walvis Bay Municipality and Navachab Gold Mine supplement the emergency response capabilities. The community has not been allocated a role during an emergency response.

Within Namibia, GTS subcontract the haulage of cyanide to Wesbank and a contract has been established between the two companies. The contract specifies that product will be transported and stored in accordance with specific requirements.

The contract was not drafted for Code compliance, however the elements covered in the contract do address the Transportation Practices identified in the Code and the Transportation Agreement between GTS and AGR requires GTS to ensure Wesbank's activities are conducted in accordance with Code requirements.

**2.1.2 Transport Practice 1.2**

**Ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.**

in full compliance with

**The operation is**

in substantial compliance with

**Transport Practice 1.2**

not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR/GTS/Wesbank are in FULL COMPLIANCE with Standard of Practice 1.2 requiring that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

**AGR**

AGR requires that GTS and Wesbank use trained, qualified and licensed operators to operate transport vehicles. AGR as developed a training needs analysis for GTS and Wesbank to assist in gaining/retaining the appropriate training, qualifications and licenses.

AGR ensures compliance by GTS with the Code requirements through the contract referred to in Transport Principle 1.1.

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**GTS and Wesbank**

GTS and Wesbank uses trained, qualified and licensed operators to operate its transport vehicles. Wesbank has a pool of four drivers and maintains files on each of them. The files include copies of licenses and training records. A checklist completed by the Convoy Leader prior to each departure requires all drivers to be checked for a current drivers and dangerous goods licence along with current cyanide training.

All personnel operating cyanide transport equipment have been trained to perform their jobs in a manner that minimises the potential for cyanide releases and exposures. The training of cyanide transport equipment operators is provided by Wesbank and GTS. Interviews with drivers and Escort Leaders indicated that all personnel operating cyanide transport equipment are competent to perform their jobs in a manner that minimises the potential for cyanide releases and exposures.

GTS ensures that Wesbank complies with the above requirements through the contract mention in Transport Principle 1.1.

**2.1.3 Transport Practice 1.3**

**Ensure that transport equipment is suitable for the cyanide shipment.**

in full compliance with

**The operation is**

in substantial compliance with

**Transport Practice 1.3**

not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR/GTS/Wesbank are in FULL COMPLIANCE with Standard of Practice 1.3 requiring that transport equipment is suitable for the cyanide shipment.

**AGR**

AGR ensures compliance by GTS with the Code requirements through the contract referred to in Transport Principle 1.1.

AGR have developed a process flow sheet for Wesbank and GTS to prevent overloading of the transport vehicle being used for handling cyanide.

**GTS and Wesbank**


Wesbank only uses equipment designed and maintained to operate within the cyanide loads it will be handling. Equipment consists of road vehicles (prime mover and semi-trailers) that were purchased to a design specification appropriate for the cyanide transport task. Vehicle power, axle loadings and other parameters are set by the manufacturer and the loads are well within the legal capacities of the public roads.

Wesbank maintains records of vehicle specifications and maintenance history. The company has a detailed program of preventative maintenance and enough capacity to ensure that they always have enough vehicles on the road for the task. Outside of the preventative maintenance program, records indicate drivers actively report defects and that those defects are rectified.

Visual inspections of prime movers and trailers are made before every convoy trip.

GTS and Wesbank use a process flow sheet developed by AGR to prevent overloading of the transport vehicle being used for handling cyanide. Prior to the placement of containers on trailers, both the trucks and trailer are required to be inspected by Wesbank to ensure they are appropriate for the task and that they have been maintained.

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Signature of Lead Auditor

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GTS ensures that Wesbank complies with the above requirements through the contract mentioned in Transport Principle 1.1.

**2.1.4 Transport Practice 1.4**

**Develop and implement a safety program for transport of cyanide.**

in full compliance with

The operation is

in substantial compliance with

**Transport Practice 1.4**

not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR/GTS/Wesbank are in FULL COMPLIANCE with Standard of Practice 1.4 requiring the operation develop and implement a safety program for transport of cyanide.

**AGR**

AGR has a procedure guiding the cyanide transportation process. A checklist attached to the procedure requires checks to be made on the integrity of the producers packaging through a check of the container and container seal numbers.

As all cyanide is delivered by sea, containers arrive placarded by AGR in Australia, in accordance with the International Maritime Dangerous Goods (IMDG) Code.

AGR ensures compliance by GTS with the Code requirements through the contract referred to in Transport Principle 1.1.

**GTS and Wesbank**

The checklist attached to AGR’s cyanide transportation procedure is completed by the GTS Escort Leader prior to the departure of each convoy.

Placards are used by Wesbank to comply with the Dangerous Goods Transport laws in Namibia which require that an orange coloured diamond denoting dangerous goods on the front of the prime mover and an emergency information panel on the rear of the prime mover.

Wesbank has developed a Safety Program which includes: vehicle inspections prior to each shipment, preventive maintenance activities, limitations on driver hours of operation, procedures to prevent loads from shifting, procedures for modifying or suspending travel during severe weather, and drug abuse prevention.

Records are maintained for all aspects of the Safety Program.

GTS ensures that Wesbank complies with the above requirements through the contract mentioned in Transport Principle 1.1.

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**2.1.5 Transport Practice 1.5**

**Follow international standards for transportation of cyanide by sea and air.**

**The operation is**  **in full compliance with** **Transport Practice 1.5**  
 in substantial compliance with  
 not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR is in FULL COMPLIANCE with Standard of Practice 1.5 requiring the operation follow international standards for transportation of cyanide by sea and air.

Shipments of cyanide by sea are transported in compliance with the International Maritime Dangerous Goods (IMDG) Code.

AGR does not transport consignments of cyanide by air within the scope of this audit.

**2.1.6 Transport Practice 1.6**

**Track cyanide shipments to prevent losses during transport.**

**The operation is**  **in full compliance with** **Transport Practice 1.6**  
 in substantial compliance with  
 not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR/GTS/Wesbank are in FULL COMPLIANCE with Standard of Practice 1.6 requiring the operation track cyanide shipments to prevent losses during transport.


**AGR**

AGR provides inventory controls and chain of custody documentation to GTS/Wesbank to prevent loss of cyanide during shipment.

AGR has a procedure guiding the cyanide transportation process. A checklist attached to the procedure requires checks to be made on the integrity of the producers packaging through a check of the container and container seal numbers. The checklist is completed by the Escort Leader prior to the departure of each convoy.

Shipping records indicating the amount of cyanide in transit and data sheets that indicate the presence of cyanide and describe the necessary handling precautions are available during transport. Shipping documents are included as part of every consignment.

AGR ensures compliance by GTS with the Code requirements through the contract referred to in Transport Principle 1.1.

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**GTS and Wesbank**

Wesbank and GTS have effective means of communication within their transport vehicles. The communication systems include satellite GPS, radios and cell phones which are continuously on. All communication equipment is used daily which functions as a test procedure.

No communication blackout areas exist along the transport route resulting in communication being primarily via radio for convoy communication and cell phone for other communication.

Wesbank uses satellite tracking to track the progress of cyanide shipments. The tracking system automatically makes contact with three mobile phones carried by personnel in the event of an incident. Drivers can activate a panic button if there is an incident.

GTS and Wesbank primarily rely on AGR for inventory controls and chain of custody documentation to prevent loss of cyanide during shipment. The condition of the seal is noted on arrival at the mine. The controls in place would allow any loss of product to be promptly detected.

The checklist attached to AGR’s cyanide transportation procedure is completed by the GTS Escort Leader prior to the departure of each convoy.

GTS ensures that Wesbank complies with the above requirements through the contract mentioned in Transport Principle 1.1.

**2.2 Principle 2 – Interim Storage**

**Design, construct and operate cyanide trans-shipping depots and interim storage sites to prevent release and exposures.**

**2.2.1 Transport Practice 2.1**

**Store cyanide in a manner that minimises the potential for accidental releases.**

**in full compliance with**

**The operation is**                       in substantial compliance with                      **Transport Practice 2.1**

not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

Standard of Practice 2.1 is NOT APPLICABLE to AGR/GTS/Wesbank.

Within the scope of this audit there are no trans-shipping depots or interim storages, as defined in the audit protocol. Storage in transit does occur at the Port of Fremantle and Port of Walvis Bay for up to one week.

Once unloaded from the ship, the cyanide containers are collected from the Port and delivered to the Wesbank Yard No. 2 where they are stored in transit delivery awaiting customs clearance. At no stage is cyanide removed from the trucks or containers prior to unloading at the mine sites.

AGR have undertaken due diligence assessments covering:

- The Port of Fremantle DP World Stevedores Terminal (Maersk vessels);
- Shipping between the Port of Fremantle and the Port of Walvis Bay by MSC;
- Shipping between the Port of Fremantle and the Port of Walvis Bay by Maersk; and
- The Port of Walvis Bay.

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## 2.3 Principle 3 – Emergency Response

Protect communities and the environment through the development of emergency response strategies and capabilities.

### 2.3.1 Transport Practice 3.1

Prepare detailed Emergency Response Plans for potential cyanide releases.

in full compliance with

The operation is

in substantial compliance with

**Transport Practice 3.1**

not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR/GTS/Wesbank are in FULL COMPLIANCE with Standard of Practice 3.1 requiring the operation prepare detailed Emergency Response Plans for potential cyanide releases.

#### AGR

AGR has developed at Transport Management Plan, which details the procedures to be adopted and actions required during all phases of emergency response management associated with the transport of sodium cyanide. This is used in conjunction with a GTS/Wesbank emergency response plan.

The emergency response plans are appropriate for the selected transportation routes. The route evaluation process, route hazard/risk assessment process, and operational experience was used by AGR to identify three likely emergency scenarios. The Emergency Response Plan details the required actions under each scenario.

The Transport Management Plan is based on road transportation between the Walvis Bay Port and the AngloGold Ashanti Navachab Gold Mine. Storage facility emergency response plans were not developed, as cyanide is not stored at an interim storage facility between Fremantle, Western Australia and AngloGold Ashanti Navachab Gold Mine.

Physical and chemical forms of cyanide along with clear and informative guidance on neutralisation and decontamination of spills are described in the Transport Management Plan.

The Transport Management Plan includes descriptions of response actions, as appropriate for the anticipated emergency situation. External responders identified in the document have made formally are aware of their role in an emergency.

AGR ensures compliance by GTS with the Code requirements through the contract referred to in Transport Principle 1.1.

#### GTS and Wesbank

GTS and Wesbank have developed an Emergency Response Plan for potential cyanide releases for cyanide transportation along the route from the port to the mine. This is used in conjunction with an AGR transport management plan.

The emergency response plans are appropriate for the selected transportation routes. The route evaluation process, route hazard/risk assessment process, and operational experience was used by AGR to identify three likely emergency scenarios. The Emergency Response Plan details the required actions under each scenario.

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The Emergency Response Plan is based on road transportation between the Walvis Bay Port and the AngloGold Ashanti Navachab Gold Mine. Storage facility emergency response plans were not developed, as cyanide is not stored at an interim storage facility between Fremantle, Western Australia and AngloGold Ashanti Navachab Gold Mine.

The Emergency Response Plan includes descriptions of response actions, as appropriate for the anticipated emergency situation. External responders identified in the document have made formally are aware of their role in an emergency.

GTS ensures that Wesbank complies with the above requirements through the contract mentioned in Transport Principle 1.1.

**2.3.2 Transport Practice 3.2**

**Designate appropriate response personnel and commit necessary resources for emergency response.**

in full compliance with

**The operation is**

in substantial compliance with

**Transport Practice 3.2**

not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR/GTS/Wesbank are in FULL COMPLIANCE with Standard of Practice 3.2 requiring the operation designate appropriate response personnel and commit necessary resources for emergency response.

**AGR**

AGR has assisted in the provision of emergency response training of appropriate personnel through the development of a 2009 Training Needs Analysis for GTS staff and Wesbank staff.

Descriptions of the specific emergency response duties and responsibilities are detailed within the Transport Management Plan.

AGR ensures compliance by GTS with the Code requirements through the contract referred to in Transport Principle 1.1.

**GTS and Wesbank**


Both Wesbank and GTS provide transport vehicle operators and Escort Leaders with initial and periodic refresher training in emergency response procedures including implementation of the emergency response plans. In addition to formal training, the Wesbank Safety , Heath and Quality Officer coordinates pre-departure training sessions for drivers and Escort Leaders, including the emergency response procedures.

A review of training records and an interview of a driver confirmed training was conducted. All training is refreshed annually.

Descriptions of the specific emergency response duties and responsibilities are detailed within the Emergency Response Plan.

Wesbank and GTS maintain a complete list of all emergency response equipment that should be available during transport or along the transportation route. The equipment is checked prior to departure.

GTS ensures that Wesbank complies with the above requirements through the contract mentioned in Transport Principle 1.1.

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**2.3.3 Transport Practice 3.3**

**Develop procedures for internal and external emergency notification and reporting.**

in full compliance with

**The operation is**

in substantial compliance with

**Transport Practice 3.3**

not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR/GTS/Wesbank are in FULL COMPLIANCE with Standard of Practice 3.3 requiring the operating develop procedures for internal and external emergency notification and reporting.

**AGR**

The Transport Management Plan is to be reviewed annually. However, the plan is less than one year old and has not yet been the subject of an annual review.

AGR ensures compliance by GTS with the Code requirements through the contract referred to in Transport Principle 1.1.

**GTS and Wesbank**

The Emergency Response Plan contains procedures and current contact information for notifying the shipper, the receiver/consignee, outside response providers, and medical facilities of an emergency.

Section 17 of the Emergency Response Plan notes that emergency response exercises will be conducted annually and that the document is to be reviewed annually.

The Emergency Response Plan is less than one year old and has not yet been the subject of an annual review.

GTS ensures that Wesbank complies with the above requirements through the contract mentioned in Transport Principle 1.1.

**2.3.4 Transport Practice 3.4**

**Develop procedures for remediation of releases that recognise the additional hazards of cyanide treatment.**

in full compliance with

**The operation is**

in substantial compliance with

**Transport Practice 3.4**

not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR/GTS/Wesbank is in FULL COMPLIANCE with Standard of Practice 3.4 requiring the operation develop procedures for remediation of releases that recognise the additional hazards of cyanide treatment.

The AGR Transport Management Plan, which is used by GTS and Wesbank, contains procedures and information for remediation including recovery or neutralisation of solutions and solids, decontamination of soils or other contaminated media and management and/or disposal of spill clean-up debris.

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Section 12.1 (Notification to Resource Users) of the Transport Management Plan contains a warning that states:

*“Neutralisation and cyanide destruction products such as sodium hypochlorite, ferrous sulphate and hydrogen peroxide MUST NOT be allowed to enter any natural body of surface or ground water.”*

**2.3.5 Transport Practice 3.5**

**Periodically evaluate response procedures and capabilities and revise them as needed.**

in full compliance with

The operation is

in substantial compliance with

**Transport Practice 3.5**

not in compliance with

**Summarise the basis for this Finding/Deficiencies Identified:**

AGR/GTS/Wesbank are in FULL COMPLIANCE with Standard of Practice 3.5 requiring the operation periodically evaluate response procedures and capabilities and revise them as needed.

**AGR**

The Transport Management Plan contains provisions to review and evaluate the Plan’s adequacy. There are provisions to ensure that internal and external emergency notification and reporting procedures are kept current. The plan also contains provisions for conducting mock emergency drills annually and a procedure to evaluate the plan’s performance after its implementation and revise it as needed.

AGR conducted a scenarios meeting with the head of the municipal hazmat team on 30 September 2008. During the meeting a recent cyanide transport incident in South Africa was reviewed and discussed. The discussion focussed on the performance of the emergency plan, the issues and challenges, and product characteristics.

**GTS and Wesbank**

The Emergency Response Plan contains provisions to review and evaluate the Plan’s adequacy. There are provisions to ensure that internal and external emergency notification and reporting procedures are kept current. The plan also contains provisions for conducting mock emergency drills annually and a procedure to evaluate the plan’s performance after its implementation and revise it as needed.

Wesbank and GTS conducted a mock emergency drill on 8 May 2009. A drill report was prepared noting deviations from the procedures, general remarks and recommendations.

The Emergency Response Plan contains provisions for periodically reviewing and evaluating the Plan’s adequacy and ensuring they are being implemented.

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### **3.0 SEA TRANSPORT SUMMARY**

#### **3.1 Mediterranean Shipping Company Australia Pty Ltd**

##### **3.1.1 Audit and Operational Information**

MSC Shipping is a carrier service providing International shipping of containers on a fleet of their container vessels.

A due diligence of MSC shipping between Port of Fremantle in Western Australia and the Port Walvis in Namibia was conducted by AGR in December 2008. The due diligence investigation was undertaken within one year of the October 26 2009 Code changes and hence qualifies pursuant to ICMI's Transition Process for inclusion in this supply chain audit.

##### **3.1.2 Scope and Summary of Due Diligence Investigation**

The purpose of the due diligence was to ensure AGR shipping of sodium cyanide is conducted in accordance with the International Maritime Dangerous Goods Code (IMDG Code). The following items were addressed within the AGR due diligence:

- Compliance with ICMC:
  - Transport Practice 1.1
  - Transport Practice 1.5
  - Transport Practice 1.6
  - Dangerous Goods Management.
- Australian Shipping Regulatory Framework:
  - Australian Maritime Safety Authority (AMSA)
  - International Convention for the Safety of Life at Sea (SOLAS)
  - Port State Control.
- Australian Department of Defence.

AGR concluded in the due diligence, that no issues of concern were noted with regards to MSC management and shipping of the sodium cyanide product. The due diligence also noted that the report is not a final acceptance of MSC by AGR for future work and as with all service providers, AGR will continue to review and monitor MSC's performance. In particular, AGR note that any changes in state, national or international regulations, standards or laws can result in a total review of the international shipping requirements.

This due diligence report was reviewed by the audit team's transport technical auditor, Edward Clerk, who found that the operations of MSC Shipping had been comprehensively evaluated through AGR's due diligence process.

AGR West Africa Supply Chain - Namibia

Name of Facility

Signature of Lead Auditor

10 August 2010

Date



## **3.2 Maersk Australia Pty Ltd**

### **3.2.1 Audit and Operational Information**

Maersk is a carrier service providing International shipping of containers on a fleet of their container vessels. Containers containing sodium cyanide are placed and secured on their vessels at the loading port (Fremantle) by Patrick Stevedores and removed at Port of Walvis Bay by Namport (the Port Authority). Maersk has provided AGR with container shipping services since AGR commenced the export of sodium cyanide solid in 2002. At the commencement of AGR's export operations AGR had to prove to Maersk that its product packaging was approved by the Australian regulators and tested in accordance with IMDG Code.

A due diligence of Maersk shipping between Port of Fremantle in Western Australia and the Port of Walvis Bay was conducted by AGR in December 2008. The due diligence investigation was undertaken within one year of the October 26 2009 Code changes and hence qualifies pursuant to ICMI's Transition Process for inclusion in this supply chain audit.

### **3.2.2 Scope and Summary of Due Diligence Investigation**

The purpose of the due diligence was to ensure AGR shipping of sodium cyanide is conducted in accordance with the International Maritime Dangerous Goods Code (IMDG Code). The following items were addressed within the AGR due diligence:

- Compliance with ICMC:
  - Transport Practice 1.1
  - Transport Practice 1.5
  - Transport Practice 1.6
  - Dangerous Goods Management.
- Australian Shipping Regulatory Framework:
  - Australian Maritime Safety Authority (AMSA)
  - International Convention for the Safety of Life at Sea (SOLAS)
  - Port State Control.
- Australian Department of Defence.

AGR concluded in the due diligence, that no issues of concern were noted with regards to Maersk management and shipping of the sodium cyanide product. The due diligence also noted that the report is not a final acceptance of Maersk by AGR for future work and, as with all service providers; AGR will continue to review and monitor Maersk's performance. In particular, AGR note that any changes in state, national or international regulations, standards or laws can result in a total review of the international shipping requirements.

The due diligence review was undertaken by the audit team's transport technical expert, Edward Clerk, who found the AGR due diligence report to be a comprehensive evaluation of Maersk Australia Pty Ltd.

AGR West Africa Supply Chain - Namibia

Name of Facility

Signature of Lead Auditor

10 August 2010

Date



### **3.3 Port of Walvis Bay and Namport**

#### **3.3.1 Audit and Operational Information**

The Walvis Bay Port is the main container Port servicing Namibia and AGR has the ability to ship to this Port by utilising the MSC or Maersk for the shipment of product from Fremantle to Walvis Bay. The Port allows unloading of the shipments for the final road transport section to the Navachab Gold Mine.

A due diligence of Port of Walvis Bay and Namport (the Port Authority) was conducted by AGR Ltd in September 2008. Follow up visits were conducted by AGR in October 2008 and January 2009. As these follow up visits were undertaken within one year of the October 26 2009 Code changes, the ICMI accepts the due diligence investigation as being consistent with the intent of the ICMI's Transition Process.

#### **3.3.2 Scope and Summary of Due Diligence Investigation**

The purpose of the due diligence was to ensure AGR shipping of sodium cyanide through the Port of Walvis Bay in Namibia is to acceptable standards.

The following items were addressed during the due diligence:

- Compliance with ICMC:
  - Transport Practice 1.1
  - Transport Practice 1.5
  - Transport Practice 1.6.

AGR concluded in the due diligence, that the Walvis Bay Port is the main container port servicing Namibia and no practical alternative ports with similar services and proximity are available in Namibia. The Company noted that AGR shipping of sodium cyanide through the Port of Walvis Bay using Namport is to acceptable standards as AGR found no issues of concern in regards to the Namibian Port Authority's awareness and management of the handling and systems for the sodium cyanide product. The due diligence also noted that as with all service providers, AGR will continue to review and monitor their performance through ongoing and regular contact.

The due diligence review was undertaken by the audit team's transport technical expert, Edward Clerk, who found the AGR due diligence report to be a comprehensive evaluation of the Port of Walvis and Namport.

### **4.0 TRUCK TRANSPORT SUMMARY**

No truck transporters, outside of Wesbank, are used in this part of the supply chain.

AGR West Africa Supply Chain - Namibia

Name of Facility

Signature of Lead Auditor

10 August 2010

Date



## Report Signature Page

**GOLDER ASSOCIATES PTY LTD**

A handwritten signature in black ink, appearing to read 'E. Clerk'.

Edward Clerk  
ICMI Lead Auditor, Associate and Manager Mining Environmental Services

EWC/ST/jlt

A.B.N. 64 006 107 857

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# **APPENDIX A**

## **Limitations**



## LIMITATIONS

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