

**C. LOGISTICS SOLUTIONS, S.R.L.
SUMMARY AUDIT REPORT**



**Submitted to:
International Cyanide Management Institute
1400 I Street, NW – Suite 550
Washington, DC 20005, USA**


2017 Three year Cycled Audit

**ICMI Cyanide Code Transportation
C. LOGISTICS SOLUTIONS, S.R.L.
SUMMARY AUDIT REPORT
Cyanide Supply Chain Recertification Audit
Santo Domingo – República Dominicana**



**Lead Auditor
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Name of Facility


Signature of Lead Auditor

November 09-11th, 2017
Dates

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C- TRANSPORTE PLAZA ESTEVEZ, ROLE AS CYANIDE TRANSPORTATION

1. TRANSPORT: Transport cyanide in a manner that minimizes the potential for accidents and releases.

Transport Practice 1.1: Select cyanide transport routes to minimize the potential for accidents and releases.

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.

Transport Practice 1.3: Ensure that transport equipment is suitable for the cyanide shipment.

Transport Practice 1.4: Develop and implement a safety program for transport of cyanide.

Transport Practice 1.5: Follow international standards for transportation of cyanide by sea and air.

Transport Practice 1.6: Track cyanide shipments to prevent losses during transport.

2- INTERIM STORAGE: Design, construct and operate cyanide trans-shipping depots and interim storage sites to prevent releases and exposures.

Transport Practice 2.1: Store cyanide in a manner that minimizes the potential for accidental releases.

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A- GENERAL SUMMARY

A.1 Information of the Audited Operation

Name of Cyanide Transportation Facility: C. Logistics Solutions

Name of Facility Owner: Luis Ramon Victoria

Name of Facility Operator: C. Logistics Solutions

Name of Responsible Manager: Alexander Booth

Address: Calle Juan Sanchez Ramirez # 13,

State/Province: Santo Domingo, D.N. Country: Dominican Republic.

Telephone +809 686 5302 Fax: +809 476 0451 E-Mail: AlexBooth@clssa.net

(RECERTIFICATION AUDIT)

Location detail and description of operation:

C. Logistics Solutions, S.R.L. (CLS) is licensed by the Dominican Ministry of the Environment & Natural Resources for the handling & transportation of dangerous goods Environmental Permit # 2682-14 (“Constancia Ambiental # 2682-14”), including sodium cyanide in the Dominican Republic.


Cyanide is transported to the Dominican Republic by ship, principally to the Port of Caucedo, but also potentially via the Port of Rio Haina.

CLS is qualified and equipped for the handling & transport of dangerous goods including preventative measures, support, escorts and first response capabilities.

Cyanide is packaged by the manufacturer (Cyanco) in a polypropylene maxi-bag with approx.1000 Kgs. within a polyethylene liner. This is then placed in a wooden crate. 20 of these crates are loaded into the standard 20-foot dry-van container.

This quantity of cases loaded (2 high x 2 wide x 5 deep) also being ‘blocked & braced’ prevents lateral or longitudinal shifting of the boxes within the container during transport. Prior to shipping, the manufacturer (Cyanco) seals the container with a numbered seal at the production facility to prevent potential encroachment. Per the custom of the Dominican ports, these seals are replaced after inspection at the port and thereafter remain sealed until delivery & discharge at the Mine’s storage facility.

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Ship's operations at the port of discharge (Caucedo) are performed by the port operator (DP World) or contracted agent who transfers the containers to the container terminal also managed & operated by the Port Operator (DP World); the terminal operator uses its own vehicles to deliver the container to the designated Haz Mat storage area within the port/terminal area. Puerto Caucedo is included in the overall supply chain to the Las Lagunas Mine through the Port of Caucedo's inclusion in Cyanco's Global Ocean Supply Chain.

CLS transports the cyanide containers direct from the port to the client's site using authorized & compliant contracted vehicles without the intervention of further storage facilities. Since November 2016, CLS supply chain company uses "TRANSPORTE PLAZA ESTEVEZ (TPE)", with an address in "Calle Dolly N° 9 – Km12, Haina, Santo Domingo", as a transport company.

Currently, **CLS** transports cyanide to the Envirogold, Las Lagunas Mine, however, in the case of additional contractual agreements with other end-users (mines), procedures and contingencies are in place to add/adjust the transport routes and maintain compliance with the Cyanide Code.

This audit will comprise of the ground transportation operations from the moment the Port & relevant authorities release the cyanide containers at the port's container terminal to its delivery to the mine.

The activities performed by the Port Operator (ship unloading, interim storage at storage areas, etc.) are not included within the scope of this audit.

The principal transportation route from the Port of Caucedo to the mine has an approximate trajectory of 124.5 km. An alternative route, as a contingency in case of problems on the principal route. Two additional routes have been mapped with an approximate trajectory of 130.5 & 122 Km respectively.

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A.2 Overall Auditor's Finding

This operation is in full compliance with the International Cyanide Management Code.

This operation has maintained full compliance with the International Cyanide Management Code throughout the previous three-year audit cycle.

Audit Company: Geosoluciones Panamá, S.A.

A handwritten signature in blue ink, appearing to read 'Jorge Efrén Chong Pérez'.


Audit Team Leader: Jorge Efrén Chong Pérez


Email: geosoluciones@cwpanama.net

Dates of Audit: November 09-11th, 2017

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanided 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 describe 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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B- ROLE AS CYANIDE TRANSPORTATION

1. TRANSPORT: Transport cyanide in a manner that minimizes the potential for accidents and releases.

Transport Practice 1.1: *Select cyanide transport routes to minimize the potential for accidents and releases.*

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.1
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

CLS has all the processes (including route plan), procedures & emergency response plan documented in an extensive 49 pages manual which for local use and reference is in Spanish. The process, procedure, and contingency guide for Sodium Cyanide handling and transport “Guía de los procesos, procedimientos & contingencias del transporte y manejo de Cianuro de Sodio” (Process Guide).

The Process Guide remains in force at the time of the audit in 2017, pages 10 and 11 indicate and maintain two routes for each port of departure of cargo: From Puerto Caucedo and Puerto Haina.

The routes are indicated in the Sodium Cyanide Convoy Guide "Guía del Convoy de Cianuro de Sodio", (Convoy Guide) June / 2017 version, pages 11 to 14. This guide is constantly reviewed by CLS and fed back by personnel from the Police transit authority “Autoridad Metropolitana de Transporte” (AMET) and by the drivers. It is a requirement that the Convoy Guide remains in the cabin of each truck and each vehicle involved in transportation, and that it is known to each driver.

According to the Route Assessment Procedure, the routes have been selected, in discussion and approval by the Police transit authority “Autoridad Metropolitana de Transporte” (AMET) and other relevant Government Ministries & Departments based upon the origin and destination, the available infrastructure (dimensions and conditions of the road), length of the road, and the avoidance wherever possible of transiting denser populated areas.

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Both the Process Guide and the Convoy Guide indicate the School Zones where the transportation process takes place, indicating the departure times of the students and the location of the schools.

Email exchange coordination for transportation two (2) days prior to transportation, between CLS, heads of department of civil defense and all involved were reviewed.

The auditor was included in the email exchanges for the coordination of the shipment and was part of the group of people who accompanied the convoy from Puerto Caucedo to Las Lagunas Mine.

In 2017, the procedure for obtaining a customs permit issued by the Armed Forces for the import and removal of sodium cyanide continues, establishing the quantities to be transported (100 tons were transported during the convoy on November 10), under military custody. This permit is updated for each transportation process and it is valid for eight (8) days.

The criteria of the routes selected were assessed upon the following:

- Population
- Turns in the road
- Maximization of the free transit of the convoy
- Inclines
- Bridges, Overpasses/Underpasses & tunnels
- Potential landslides or road erosion
- Water bodies
- Environmentally sensitive areas
- Areas with high delinquency or potential civic unrest

The transport of cyanide is carried out with the same risk assessment criteria of three years ago, and by the same routes used.

It is evaluated by Convoy Manager in coordination with the responsible person at the Las Lagunas mine. Roads under repair, CLS is obliged to communicate to AMET each transport procedure, so that it is a requirement of the Government of the Dominican Republic that the risks be evaluated before each trip.

Caribbean Logistics Solutions (CLS) has established a regular route (A) and alternative (B) from Puerto Caucedo to Las Lagunas Mine.

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The route survey affected is evaluated by the Convoy Manager and a representative of the Transit Authority established the locations of potential risk along the route, in coordination with the responsible staff at the Las Lagunas mine.

Before each transportation, the Metropolitan Transportation Authority “Autoridad Metropolitana de Transporte” (AMET) in coordination with Civil Protection, evaluates, approves and escort the cyanide load on the entire route. Hospitals & Clinics, Police Stations, Fire stations, sensitive areas, roads under repairs, communities, and the quality of communications.

CLS is obliged to inform AMET of each transport procedure. As a requirement of the Government of the Dominican Republic, the risks are evaluated before each trip.

On page 13 of 49 of the Processes Guide and on page 15 of 31 of the Convoy Guide, the schools, departure times and location map where children go all the way to the mine are identified, implementing related to critical points and restrictions.

During the audit, it was verified in the field that in the process of transporting motorized policemen called "*franqueadores*", in advance and in coordination with the police in the streets located in the vicinity of schools, provides protection to students and safe passage to the convoy.

The route assessment is reviewed during each delivery of Cyanide by “Autoridad de Transporte (AMET) y la Policía Militar” (J2) and any changes in conditions are recorded within in the trip report for further review and consideration for possible remedial action.

This requirement is indicated in the Convoy Guide page 9 of 31, Pre Trip: Review and Procedures.

At the end of each transport, a trip report is generated which serves for travel reference to any improvements required due to any observation, condition or incident, to make changes to the route procedures, if needed.

The auditor was present during cyanide transport personally, since leaving from the Port of Caucedo, to cyanide delivery in the Lagunas Mine. And he was involved in the planning of the transport process two days before being carried out, until the delivery of the product in the Las Lagunas mine.

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CLS hold a constant communication between the convoy manager and the mine. The convoy was always accompanied by Civil Defense Chief Staff and permanent escort from Dominican Republic Metropolitan Authority of Transportation, which is required by law.

The auditor personally accompanied the route during the entire transportation process. It showed the franking procedures on a motorcycle called “franqueadores” performing their function efficiently and following the programmed route. The convoy manager was in constant communication with the mine, port and convoy support personnel: Civil Defense, Military Police, Ambulance, Paramedic, and Fire, ensuring the safety of the process.

The convoy left Puerto Caucedo on November 10, 2017, at 10:14 a.m. arriving at Las Lagunas Mine at 2:30 p.m., according to the record taken with the convoy manager.

Based on the aforementioned assessments general preventive measures have been established in the transportation procedures including: limiting the transportation during daylight hours only (which is a requirement of the Military Police), all shipments performed in convoys of up to a maximum of five containers with two safety escort vehicles (Convoy Manager, Fireman, Para-Medic & support staff), HazMat equipment vehicle, Ambulance, Mechanic Truck & police outriders.

This convoy configuration and with the issuance of 2-way radios to each vehicle permits the convoy manager to maintain control of the operations when the route conditions are unsafe or in case of an emergency, facilitate a rapid response & deployment of the escort emergency crew.

The Convoy Manager’s trip report includes;

- Inspection of the trucks, chassis & containers
- Verification of drivers’ credentials
- Results of the alcohol test – is taken
- Observations e.g. maintenance operations)/recommendations/remedial actions to be taken
- Emergency equipment inventory checklist
- Trip report with observations & GPS printout.
- Environment Ministry Manifest & shipment documentation & permits.
- A pocket guide containing basic emergency response activities and sodium cyanide hazardous characteristics are issued to each vehicle of the convoy.

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On average 10 cyanide convoys are being made per year, with each convoy carrying no more than 100 tons of content.

Three random reports per year of travel reports were reviewed. The reports included actions taken to reduce the risk of unexpected events.

A change in the process represents incorporating the presence of a mechanic and a pick-up with parts and tires that have been required by experience in order not to extend the scheduled travel time.

The project & convoy manager remain, Mr. Alexander Booth, an ex-deck officer & Master Mariner of the British merchant marine and as such is cognizant of the handling and effects of all classes of hazardous materials. Silverio (Danilo) Jimenez, the assistant manager of the convoy, is working together with Carlos Santin, assistant manager, to support transportation management both in prior coordination and in accompanying the entire convoy process.

The assessment of the risks in the routes as documented were used to develop emergency scenarios (e.g. truck rollover on dry soil conditions, crash with another vehicle, etc.) in the different routes. Each scenario has specific preventive measures (e.g. establishing maximum speeds controlled by the lead escort vehicle).

According to the Government Transport Protocols, CLS via the pertinent authorities and the mine informs the communities and the authorities regarding its programmed cyanide transport operations through.

Interaction with the transit police (AMET), emergency & public health services to coordinate emergency response procedures. Additionally, CLS has provided copies of the sodium cyanide MSDS & pocket emergency guide (Convoy Guide) to the pertinent authorities and environmental agencies.

On April 19, 2015, CSL- Alex Boot was the presenter of a paper before the National Commission of the Dominican Republic, on the Protocol of Transportation of Cyanide in the Country. Attended maximum authorities of the Republic as shown in the attendance record. CLS was part of the committee that drafted the Regulation for the Management of Hazardous Chemical Substances and Wastes, for the Dominican Republic.

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All shipments from the ports to the mine are performed in convoy which, for safety & logistical reasons, consists of a maximum of 5 x 20' container loads with three safety escort vehicles including a mechanical support vehicle with basic spare-parts, tires and a mechanic, from the time of leaving the Port of Caucedo, until the mine.

The conditions during the 2017 audit are maintained, including the use of an escort by the use of motorized Military Police (franchisers), which allows security to people on the road and priority of passage to the convoy.

CLS holds, and documents, a pre-trip meeting the day before each delivery reviewing the program for the delivery convoy, with a revision of the responsibilities and duties related to cyanide handling and emergency response action for each member of the convoy. In addition to an inspection & review at the time of dispatch prior to the departure from the port area. Government Defense Civil Responders and Paramedic remain with the convoy all the time.


CLS has established a general purchasing and contracting service procedure. According to section 6.6.3.4 of the procedure, CLS requests to all transport carriers or suppliers to sign a service contract which states the terms and conditions of transport service stipulated, an acceptable level of service, penalties, terms of presentation, and safety elements.

CLS, through formal contracts with companies of its supply chain, requests methods such as route selection, driver training, appropriate vehicle units to operate the load in a safe manner, to ensure its subcontractors meet elements 1 thru 7 of this Transport Practice 1.1.

CLS requests that each contractor is certified as an Authorized Economic Operator in the Dominican Republic. Four (4) times per month an authorized CLS representative visits the facilities of the transportation contractor.

Since November 2016, CLS supply Chain Company uses "TRANSPORTE PLAZA ESTEVEZ (TPE)", with an address in "Calle Dolly N° 9 – Km12, Haina, Santo Domingo", as Transport Company.

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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.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.2
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

CLS has designed and established a training program according to the rules and regulations of the General Department of Land Transport “Dirección General de Transporte Terrestre” (DGTG for its Spanish acronym) and the National Land Transport Network (RNTT for its Spanish acronym). RNTT requires its affiliates to meet specific training requirements, laboratory tests and insurance, to obtain registration as authorized drivers (<http://www.rntt.com.do/servicios/>).

This program will be for both CLS staff and the transport company staff that will carry the sodium cyanide from the Port of Caucedo and Rio Haina to Las Lagunas, in conjunction with the relevant authorities (Police, Fire Department, Customs, Civil Defense and Minister of Environment).

The company TPE new carrier since November 2016, and its drivers; they have received the initial induction talk and receive periodic training as well as a refresher on issues of defensive driving, emergency response, firefighting, substance abuse.

CLS has approved 7 drivers for cyanide container transport operations: Antonio Herrera, Diomedes Ramos, Maury Santos, Máximo La Hoz, Ramón Figueroa, José Alejandro Sánchez and José Arturo Sánchez.

Records of their credentials & training are maintained on file.

All have their current driver's licenses and RNTT records.

Training has also been given on elements of trailers for transport vehicles and international drug trafficking

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Mr. José Alejandro Sanchez was interviewed, who described the training to which they have been subjected, he also explained what they learned in them, as well as the process of obtaining licenses and RNTT registration, in order to be in compliance with the provisions of the Government of the Dominican Republic.

C. Logistics Solutions, S.R.L. (CLS) supply chain have a procedure to ensure its subcontractors meet elements 1, 2 and 3 of this Transport Practice 1.2. By requirement of the Government of the Dominican Republic, you must maintain registration in National Land Transport Network (RNTT for its Spanish acronym), which requires specific training and uses “TRANSPORTE PLAZA ESTEVEZ (TPE)”, with address in “Calle Dolly N° 9 – Km12, Haina, Santo Domingo”, as transport company.

Transport Practice 1.3: Ensure that transport equipment is suitable for the cyanide shipment.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.3
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

CLS has a registry of designated & approved trucks for the transport of cyanide containers. The Containers chassis, being supplied by the line, are inspected upon ‘pick-up’ and prior to transport. It is a requirement of the city council office (mayor's office) that all equipment be maintained and designed according to the type of cargo handled. Each equipment (the heads) maintains a history with the specifications according to the manufacturer.

The trailers are provided by the DP World Puerto Caucedo, which is a facility that is included in the supply chain of the Las Lagunas mine.

It was verified that the process of inspection of trucks, escort vehicles, ambulance and support vehicles is implemented. The inspection report is part of the final convoy travel report, as well as an NRTT requirement.

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The person in charge of TPE maintenance control Heidi Hernández and Mario Ureña were interviewed, who states that the maintenance is carried out according to the manufacturer and whenever a driver reports nonconformity in a vehicle.

CLS has established procedures to verify the adequacy of the equipment for the load it must bear.

According to manufacturer's recommendations, a periodic preventive maintenance should be performed based on operating miles or hours, doing so by using pre-established maintenance guidelines. Included in the work corresponding to the periodic preventive maintenance jobs would be the ones requiring special attention such as the inspection of the body sealing system and complete powertrain system checkup, body repairs and equipment cleaning and washing. Staff interviews confirmed that maintenance is performed and also that the National Land Transport Network (RNTT for its Spanish acronym) verifies it.


Before the trip, an additional visual inspection is made, as soon as the cargo leaves the Port, in order to verify any impact that could have had at the time of placing the containers in the trailers.

The trucks utilized for the transport of the cyanide container are manufactured in the last 10 years, having their service & maintenance records maintained on file with capacities from 350 to 450 HP. And a load capacity from 30.5 to 32 tons, which is in excess than that of a loaded container of approx. 25 gross tons (cargo, container & chassis).

The Transport Protocol establishes the convoy manager is responsible for the inspection of every truck and chassis prior to shipment. A checklist, concerning the truck and trailer conditions, the driver, the required documents, and truck accessories are used to document the inspection. A checklist form is filled for each truck in the convoy. According to the reports and checklists, this inspection is performed the same day of the shipment. When minor deficiencies are identified these are fixed prior to the vehicle leaving its base to the Port or the vehicle is replaced. This was confirmed through the review of all transport operations that have been performed to date. The procedure mentioned in this paragraph is still valid.

C.Logistics Solutions, S.R.L. (CLS) supply chain have a procedure to ensure its subcontractors meet elements 1, 2 and 3 of this Transport Practice 1.3; and uses uses "TRANSPORTE PLAZA ESTEVEZ (TPE)", with address in "Calle Dolly N° 9 – Km12,

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Haina, Santo Domingo”, as transport company, company that is also registered with the Government of the Dominican Republic as an Authorized Economic Operator.

Transport Practice 1.4: Develop and implement a safety program for transport of cyanide.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.4
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

Per Dominican port procedures and security practices, all import containers at the ports have their containers seals broken, the contents confirmed and thereafter new seals are affixed to the container by a port commission consisting of Customs, Military Intelligence, anti-drug officers & port authority personnel.

Before going out to the mine, inspection is carried out on the containers for dents or signs of breakage, both externally and in the integrity of the seals.

Before each transport process, the cargo manifest is reviewed in order to ensure the weight of each container together with the drivers, which is a total of 21.6 tons, which is part of the trip report. Operators participate in the meeting as part of the awareness of the load they carry.

As per the Transport Protocols, placards are affixed to the containers declaring the cargo, its IMCO classification destination, Expeditor & transporter. In addition, warning placards are affixed to each of the escort vehicles. The presence of same is duly recorded within the pre-trip inspection report.

In the 2017 audit, it was evidenced that new magnetic placards have been adopted.

In the same way, as it was done during the initial audit of 2014, Inspections are performed prior the departure of the vehicle to the port (documented by checklist included in convoy manager’s report) in addition to a preventive maintenance program for the trucks which is

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cyclical and based on 10,000 Km. being the standard requirements for combustion engine vehicles and equipment.

Pre-trip checklist records for the last three years, including 2017 were reviewed and both stated: the presence of government inspectors, state of the chassis/truck, driver requirements, escorts team, emergency response equipment, medical equipment and HazMat team. During the 2017 audit of the transportation process between Puerto Caucedo and the Las Lagunas Mine, it was evidenced the implementation of inspection of each of the vehicles involved.

TPE has a designated person responsible for keeping maintenance records, according to the reports made by the drivers. If any type of problem or issue is identified during preventive maintenance or inspections, a work order is issued by the maintenance department to solve it. Maintenance records of the six months prior to the initial audit are issued and filed. These documents should be filed together with those that will be issued in the future in order to meet and comply with the requirements for the re-certification audits within the following three years.

The procedure established by The Dominican Republic Ministry of Defense states that load must transport during the day. The implementation verified in the 2017 audit is subject to strict compliance due to the permanent presence of units of the Military Police to reinforce compliance.

The CLS Cyanide Convoy Guide (“Guía del Convoy de Cianuro”), page 8-9, establishes the procedure to prevent loads from shifting in any type of vehicle used for the transport of sodium cyanide to Las Lagunas Mine. The product to be transported shall be conveniently packaged, with good stability and be resistant to deformation.

The load in the chassis is performed under the standard and direction of the port control operator (DP World), which was included through due diligence in the supply chain to Las Lagunas mine. Also, the product stowage is performed by the supplier (Cyanco), which complies with national and international standards and regulations for the safe transportation of hazardous substances.

The vehicles used for the transport of sodium cyanide will not cross bridges or overpasses where there are restrictions on the allowable weight or width available.

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The maximum loading for transport of sodium cyanide in a vehicle is 20 tons. The load is firmly secured to the vehicle so that shocks and frictions between containers are avoided.

The day previous and prior to departure, the convoy manager liaises with the police and military authorities to access any potential political or civil unrest on the route and assesses the weather conditions, together with the people involved in the transportation process, including Las Lagunas mine.

If it is deemed necessary after consultation and only with the agreement of the military authorities the delivery may be postponed.


CLS prohibits the consumption of alcohol, drugs, or any other substance that may impair or reduce the function of the driver or a member of the convoy. Prior to the departure of every shipment, if deemed necessary the members of the convoy may be tested for alcohol levels. To obtain registration with the National Land Transport Network (RNTT for its Spanish acronym), it is a requirement that drivers submit to periodic drug abuse tests.

In the 2017 audit the same procedures related to record retention time, are maintained

The convoy manager records these processes and procedures in the trip report that is filled out on every operation and all data pertaining to the transportation is archived for at least three years. If any type of problem or issue is identified during preventive maintenance or inspections, a work order is issued by the maintenance department to solve it and should be filed in order to meet and comply with the requirements for the re-certification audits within the following three years.

C. Logistics Solutions, S.R.L. (CLS) supply chain have a procedure to ensure its subcontractors meet elements 1, 2 and 3 of this Transport Practice 1.4; and uses "TRANSPORTE PLAZA ESTEVEZ (TPE)", with address in "Calle Dolly N° 9 – Km12, Haina, Santo Domingo", as transport company. The company that is also registered with the Government of the Dominican Republic as an Authorized Economic Operator.

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Transport Practice 1.5: Follow international standards for transportation of cyanide by sea and air.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.5
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

As defined, the scope of this audit is only for ground transportation operations performed by CLS from Port to client's site.

C. Logistics Solutions, S.R.L. (CLS), does not transport by sea or air.

Transport Practice 1.6: Track cyanide shipments to prevent losses during transport.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.6
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

During the 2017 audit, the proper functioning of the communication radios was verified.

All members of the convoy and escort have mobile phones; in addition, CLS provides a 2-way walkie-talkie to each vehicle in the convoy and the lead and tail police outriders.

Two days before the departure of the convoy scheduled for November 10, 2017, the convoy manager initiated coordination with all those involved in the mine, port, civil defense, military police, and ambulance via email.

During the transportation process between Puerto Caucedo and Las Lagunas Mine, the follow-up is continuously provided by GPS through the company "Transportes Plaza Estevez" (TPE), through the person in charge of coordinating preventive and corrective maintenance.

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TPE permanently monitors all its equipment, using GPS so that if any abnormality is found it is detected immediately. Records of the GPS speed track are maintained and form part of every trip report. One day before transport and before leaving in the pre-shift inspection all radios, mobiles are tested in order to verify their functionality. If any damage is found, there are available for replacement. GPS monitoring sample is indicated on May 12, 2017, between the Puerto Caucedo and Mina Las Lagunas routes, including the variation profile of the speeds.

According to the route assessment and audit verification in 2017 where the auditor was present during the transportation process, there are no blackout areas in the route. This was confirmed during interviews with the drivers and during the audit.

Throughout the trajectory of the convoy, the convoy manager reports the conditions to everyone involved in real time. During the convoy on November 10, 2017, the auditor was included in the communication of the progress of the shipment and position of the convoy by text messages to the CLS main office too, where from in turn the mine is kept informed of the convoy's progress and estimated time of arrival. These progress reports are also included in the trip report.

The following documents are carried by the convoy manager:

- A Complete set of shipping documents & cargo declarations
- A complete set of the requisite permits for the transportation & delivery of the Sodium Cyanide.
- Ministry of Environment Manifest & requisite supportive documentation.

During the entire transport process from the port exit, the cargo is kept closed, with the security seal and permanently guarded by the Military Police, complying with the requirement of the Government of the Dominican Republic

Sender shipping reference guide includes the product name, code number of the Union Nations (UN), number of packages transported, weight of cargo, coverage insurance, and Material Safety Data Sheets. The MSDS sheet has not had any variations, it remains valid on page 35 of 47 of the Convoy Guide, verified in the 2017 audit.

C. Logistics Solutions, S.R.L. (CLS) supply chain have a procedure to ensure its subcontractors meet elements 1 thru 6 of this Transport Practice 1.6; and uses "TRANSPORTE PLAZA ESTEVEZ (TPE)", with address in "Calle Dolly N° 9 – Km12,

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Haina, Santo Domingo”, as transport company, company that is also registered with the Government of the Dominican Republic as an Authorized Economic Operator.

2. INTERIM STORAGE: Design, construct and operate cyanide trans-shipping depots and interim storage sites to prevent releases and exposures.

Transport Practice 2.1: Store cyanide in a manner that minimizes the potential for accidental releases.

This operation is:

- In full compliance
- In substantial compliance Transport Practice 2.1
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

As per Dominican regulations, Sodium Cyanide must be delivered directly to its destination without deviation or interim storage. If any deviation or interim storage does occur this would be under the direct, strict control and direction of the Intelligence branch of the Dominican Armed Forces. During the 2017 audit during the transportation process, the Military Police permanently accompanies the transportation process to give the approval to take the cargo directly to its destination.

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3. EMERGENCY RESPONSE: Protect communities and the environment through the development of emergency response strategies and capabilities.

Transport Practice 3.1: Prepared detailed emergency response plans for potential cyanide releases.

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.1
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

CLS has prepared a manual for the overall processes, procedures, emergency response and first aid attention for the transportation of Sodium Cyanide in the Dominican Republic, which after each delivery is reviewed for possible amendments against the trip report as issued by the convoy manager.

In the 2017 audit, CLS has the use of the same manual which includes Emergency Response Plan, without any modifications.

During the audit of the documentary process carried out on day 9 and verification during the entire transportation process on November 10, 2017, it is evident that the emergency plan is appropriate and is implemented during the transportation process.

The manual has been prepared on the basis of interaction with the product suppliers (Cyanco), the mine and information attained through liaisons with Dominican & international authorities.

The Emergency Response plan considers the possible scenarios that may take place in during the transportation process.

The Guide has detailed information concerning sodium cyanide characteristics and toxicity based on the MSDS.

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CLS prepared "THE CONVOY GUIDE" it was modified in the month of June 2016, updating the reference of the orange book to version # 19 of 2015. The load capacity requirement of 26 Tons of 20 Tons is reduced. The retention time of GPS records from 3 years to 30 days is reduced. The speed of access to the Lagoons is increased from 10 Km/ h to 25 Km / h, in addition to containing the MSDS sheet, the leaf on Cyanide Toxicity issued by the United States Department of Health and Human Services was added, and the contact numbers of the people involved in emergencies are updated.

In the aspects of the response to the scenarios that could be presented, starting on page 22, the document, the Plan remains the same.

This is a document designed to meet the requirements of the Cyanide Code of The International Cyanide Management Institute (ICMI) and comply with the relevant authorities in the Dominican Republic. When there is a conflict between the provisions of this management plan and applicable laws (i.e., licenses, permits, consents, and laws) the legal requirements of the Dominican Republic will be observed.

The intention of the guide is to outline and define solid sodium cyanide handling and land transport. It includes and provides the procedures and activities employees and contractors who are directly involved in the handling and transportation and supervision of these activities should comply with.

It is mandatory for every person involved in the process to strictly follow and comply with these procedures without exception. This is to safeguard the health and safety of employees and the equipment, the environment and the population, in addition to complying with international codes and regulations applicable in the Dominican Republic.

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It is mandatory for every person involved in the process to strictly follow and comply with these procedures without exception. This is to safeguard the health and safety of employees and the equipment, the environment and the population, in addition to complying with international codes and regulations applicable in the Dominican Republic.

All emergency scenarios developed are related to ground transportation and verified during the documentation and face-to-face audit during the transportation process on November 10, 2017.

All the scenarios are in relation to accidents of trucks hauling a chassis carrying a 20' standard dry container, which is the only transportation modality utilized.

Approaching the town of Bona0, 17 km from the mine, extra precautions are taken due to the curve of the smaller radius of the route.


CLS used trucks and lowboy trailers that are certified for transport of sodium cyanide by the "Red Nacional de Transporte Terrestre" (RNTT). National Land Transport Network (RNTT for its Spanish acronym). Transportation vehicles as required by the annual review by the City Council or Municipality.

The Emergency Response Plan regarding the description of response actions did not change since the last audit in the year of 2014. CLS sets response action if incidents occur on the route, which is described below:

Based on the emergency response requirements on each accident scenario, members of the response team and external emergency response teams such as: police department, firefighters, health centers, ambulance, civil defense personnel, paramedics and hazmat team with equipment for spill cleanup have the responsibility to do the follow up and act accordingly on the following situations: Crash with another vehicle, vehicle rollover in steep slope or curve, rollover with spill, rollover with hurt persons, and rollover with the product reaching a water body, amongst others including prevention and mitigation instructions, as well as specific response instructions.

CLS has developed a Sodium Cyanide Transport Emergency Response Plan which considers/states the responsibilities of CLS when facing an emergency situation, the actions that must be taken by the company personnel involved in the transport of cyanide sodium to Las Lagunas, representatives of the Transport Company and supplier. This plan only considers events related to traffic accidents as well as semitrailer and truck overturn accidents with spill content into the environment.

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Indicated below are the actions that should be carried out according to the type of emergency that may occur. The emergency response plan details the actions step by step.

INCIDENTS WITHOUT INJURED PERSONS

The head of the convoy or the second in charge will carry out the following actions:

The driver must immediately contact the CLS Convoy Manager.

- He/she will check if he/she is in good physical condition and if there are no other injured persons.
- Will do a complete truck inspection: checking the brakes, lights, steering, container anchoring system, door locks and seals, leaks, etc.
- Will write down the details of the incident and gather the necessary information to prepare the accident report. He/she will resume the journey to Las Lagunas.
- When arriving in Las Lagunas the CLS Convoy Manager will report to the Environgold plant manager what happened.

MECHANICAL OR TIRE PROBLEMS

The convoy manager and/or the truck driver involved will take the corrective the actions.

CLS implemented in November 2016 the permanent presence of a mechanic vehicle and a competent mechanic with those parts that by experience have had breakdowns. In general, the breakdowns recorded have been infrequent tire breaks and minor mechanics.

With the change to new Transport Carrier Plaza Estevez, the breakdowns have been minimized and the setbacks eliminated.

COLLISION WITH / WITHOUT INJURED PERSONS, TRUCK OVERTURNS WITH NO SPILL, COLLISION WITH DRIVER, TRUCK OVERTURN WITH CYANIDE SPILL AND TRUCK CAUGHT ON FIRE.

CLS / Transport Company / HazMat Team.

The CLS Convoy Manager and/or HazMat personnel will immediately go to the accident area. The HazMat vehicle accompanies the convoy at all times from the departure of the Port to the arrival at the Mine, which was evidenced in the 2017 audit.

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CLS / Transport Company

The Convoy Manager and the transport company must take care of any incident. Mr. Carlos Santin has been appointed as Assistant to the Manager of Convoy Alex Booth. Both accompany the development of the convoy at all times.

Transport Practice 3.2: Designate appropriate response personnel and commit necessary resources for emergency response.

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.2
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

CLS Convoy Manager provides staff training every time a cyanide load is transported and provides instruction to new drivers and personnel involved in the transportation process, including Military Police, Civil Defense and other agencies of the Government of the Dominican Republic. The transport process guide establishes the training and their basic contents. CLS hired the services of "SAFETY EXTREME" a training company for its staff training activities program. During the 2017 audit, it was evidenced that this same course provider continues to provide the training courses.


Random records of inductions performed in 2015, 2016 and 2017 were reviewed, which are attached electronically.

The Paramedic Sgt. José Luis Montes and Firefighter Lt. Mario Reynoso were interviewed who confirm that they provide training on emergency response.

Assignments and responsibilities remain effective in 2017. CLS has a team who are well versed in emergency response procedures & their responsibilities for the initial response, communications (contact with the authorities), containment and recovery (IGN) in conjunction with the mine's emergency officer and the Dominican Emergency services.

In the 2017 audit, CLS maintains an on-call chemical professional suitable for technical assistance in case of emergencies due to dry and wet spills.

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From page 22 to 31 of the Convoy Guide June 2017 version: Specific Actions are detailed and remain the same as the Convoy Guide version 2014; along with roles and responsibilities of the personnel in charge during emergency cases such as accidents without injuries, equipment mechanical problems, collisions with or without injuries; collision with disabled driver, spill rollovers, rollovers with no spill, trucks on fire, cyanide spill on dry or wet conditions and decontamination of the affected area.

General Actions

During an emergency, the person in charge of the convoy or the driver should contact the CLS convoy manager via telephone and /or radio. If the person has no way of contacting the CLS convoy manager then, he should request the authorities that always accompany the convoy (motorized police and civil defense) or a third party to do it for him. The CLS convoy manager or his deputy shall inform the transport company “TRANSPORTE PLAZA ESTEVEZ, TPE” and the Plant Manager in Las Lagunas Mine. Depending on the condition and severity of the emergency, firefighters or specialized hazardous material handlers, CLS staff for this purpose, will provide the initial emergency response at the incident area.

The person in charge of the convoy has the following functions:

He will instruct the driver the initial actions to be taken to control the situation. Send hazardous material handling team assigned to contain the emergency scene. Depending on the seriousness, Las Lagunas Plan Mine should also be present.

The CLS Manager will request special assistance to the transport company at the incident location. The Convoy Manager will inform the public service authorities about the emergency/incident. According to the law, those authorities must always accompany the Convoy.

The following actions will be taken at the incident site:

CLS staff will serve as an advisor to the authorities, providing the necessary information related to the nature of the product. Check if the area has been protected. Check for traffic and people around the area of the incident. Stop and/or contain spills (protect sewers and watercourses). Request more help if necessary (cranes, backhoes, and trucks). Coordinate the clean-up of the incident area in order for it to return to its initial conditions. If there are casualties from the accident, the driver(s) may be arrested by the police. In this case, CLS must request custody of the truck and its contents and await the arrival of the representatives of the transport company to make a statement.

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Paramedic unit: The paramedic accompanying the Convoy will be the person in charge of providing first aid assistance or oxygen supply if needed before the external emergency team arrives.

During the 2017 audit it was evidenced that in addition to the paramedic, a firefighter accompanies the convoy. Both are units of the Fire Department of Santo Domingo, Sergeant and Lieutenant respectively.

The list of emergency response teams remains valid in 2017. The items were verified inside the HazMat truck before the departure of the convoy, and the day prior to transport.

The emergency equipment & materials are carried by the safety escort & HazMat vehicle positioned at the head and tail of the convoy.

During the journey, the ambulance is incorporated with a doctor available, in a sector known as "Piedras Blancas".

During the 2017 audit, it was evidenced that there are health centers along the way, located no more than 20 minutes from each point where the convoy is located.

The auditor verified that there are health and safety teams, and for emergency response, including "EPP".

CLS's training program includes contingencies for changes in personnel besides a quarterly refresher program all of which are recorded.

The 2017 audit shows that during the drills the opportunity is taken to provide refresher courses for both CSL and TPE personnel, through paramedic firefighters and the convoy manager.

An inventory check is affected the day before an operation and also prior to the delivery, the results of which are recorded within the trip report.

During the convoy travel day, a second verification is carried out by the firefighter who accompanies it.

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Transport Practice 3.3: Develop procedures for internal and external emergency notification and reporting.

This operation is

- In full compliance In full compliance
- In substantial compliance Transport Practice 3.3
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

Communications, being the essence in any circumstance, is organized from the Convoy Manager to the Mine Safety Officer & CLS main office whereupon after analysis of the situation, if deemed necessary, the respective emergency services and authorities are called for their assistance.

In practice, before each transport process, telephone and email coordination are carried out with all those involved, including personnel from the Military, Fire and Civil Defense Police, who accompany each convoy from the port to the mine.

Full listings of emergency contacts are carried by the response team managers and the Convoy Guide version June 2017 “Guía del Convoy” page 30-31 for all strategic points along the trajectory of the delivery route, enabling a response time of between 20 & 30 minutes anywhere along the route. This listing is continually being verified and updated as changes are established.

In Convoy Guide, June 2017 version page 1 of 31 the document update requirement is indicated, in consultation with the authorities including the contact telephone numbers.

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Transport Practice 3.4: Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.4
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

The Convoy Guide version of June 2017 pages 25-31 maintains the established procedure to clean a spill and the decontamination of the area consists of the following prime points:

Isolate & contain the area.

Sweep the cyanide to a recollection area.

Collect the debris in plastic bags or drums.

Treat the area with calcium carbonate and then with a 5% sodium hypochlorite solution, wait at least 15 min, rinse the area with water.

Wait for the area to dry, recheck for contamination and then, if clear, remove the barricades.

Procedure Guide “Guía del Convoy” (pages 26 of 31) prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate, and hydrogen peroxide to treat cyanide that has been released to surface waters.

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Transport Practice 3.5: Periodically evaluate response procedure and capabilities and revise them as needed.

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.5
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

CLS operations establish that the Process and Convoy Guides be reviewed in conjunction with the trip reports. They will be periodically reviewed/updated and maintained in consultation with the competent authorities. In accordance with the Cyanide Code, this program will be continuously revised/modified to comply with any change in the environmental, social or physical conditions that may be encountered.

The Ministry of Environment and Natural Resources in Title VIII, Article 51, stipulates that mock emergency drills must be performed and also requires having Emergency Action Plans, the training must be coordinated with the institutions or national emergency agencies.

In the last three years three simulations have been carried out which include three stages: Induction in which the processes and objectives to be achieved are trained; the responsibilities of those involved in the simulation and the aspects of the simulation such as effects of cyanide, actions in case of poisoning, fire drill, simulation of spill and review of failures, response actions, and recommendations.

As required by the Law of the Dominican Republic, drills are mandatory as well as keeping emergency numbers updated. In all the simulations carried out, the Military Police (escort of the convoys), Firemen, Civil Defense, Ambulance doctor, Transport Authority, collaborators of Mina Las Lagunas, Customs and the MSC shipping company participated.

In the scenarios, the effectiveness and times in the placement of the personal protection equipment, the neutralization and firefighting procedures were proven.

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The scenarios have been the carrier's vehicle yard on the dates Nov. 4th, 2016, August 6th, 2016 and June 24th, 2017.

CLS, established a procedure to evaluate the Emergency Response Plan, as drills lesson learned or whenever modifications are required or, if no interim modifications are required, an annual review and update should be affected.

In the 2017 audit, no modifications have been made to this requirement.

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C- TPE ROLE AS CYANIDE TRANSPORTATION

1. TRANSPORT: Transport cyanide in a manner that minimizes the potential for accidents and releases.

Transport Practice 1.1: Select cyanide transport routes to minimize the potential for accidents and releases.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.1
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

TPE follow route evaluation procedure documented in an extensive 49 pages manual which for local use and reference is in Spanish. Process, procedure and contingency guide for Sodium Cyanide handling and transport under direction of CLS.

According to the Route Assessment Procedure, the routes have been selected, in discussion and approval by the Police transit authority “Autoridad Metropolitana de Transporte” (AMET) and other relevant Government Ministries & Departments based upon the origin and destination, the available infrastructure (dimensions and conditions of the road), length of the road, and the avoidance wherever possible of transiting denser populated areas.

After Email exchange coordination between CLS and heads of department of civil defense, CLS provides direct instructions to TPE.

Caribbean Logistics Solutions (CLS) has established and implemented for TPE a regular route (A), and alternative (B) from Puerto Caicedo to Las Lagunas Mine. All cargo transports are performed under the direct leadership of CLS.

The transporter company (TPE) implements a CLS procedure and take the measures necessary to manage these risk. The Convoy Manager and a representative of the Transit Authority established the locations of potential risk along the route.

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Before each transportation, the Metropolitan Transportation Authority “Autoridad Metropolitana de Transporte” (AMET) evaluates, approves and escort the cyanide load on the entire route. Hospitals & Clinics, Police Stations, Fire stations, sensitive areas, communities, and the quality of communications.

The information obtained from government institutions is passed to TPE, the day before the transportation process.

At the end of each transport a trip report is generated which serves for travel reference to any improvements required due to any observation, condition or incident, to make changes to the route procedures, if needed.

CLS hold a constant communication between the convoy manager, TPE drivers and the mine. The convoy was always accompanied by Civil Defense and permanent escort from Dominican Republic Metropolitan Authority of Transportation, which is required by law.


TPE implement preventive measures to address risk, including: limiting the transportation during daylight hours only (which is a requirement of the Military Police), all shipments performed in convoys of up to a maximum of five containers with two safety escort vehicles (Convoy Manager, Fireman, Para-Medic & support staff), HazMat equipment vehicle, police outriders and ambulance.

This convoy configuration and with the issuance of 2-way radios to each vehicle, permits the convoy manager to maintain control of the operations when the route conditions are unsafe or in case of an emergency, facilitate a rapid response & deployment of the escort emergency crew.

The Convoy Manager’s trip report includes;

- Inspection of the trucks, chassis & containers
- Verification of drivers’ credentials
- Results of the alcohol test – is taken
- Observations e.g. maintenance operations)/recommendations/remedial actions to be taken
- Emergency equipment inventory checklist
- Trip report with observations & GPS printout.
- Environment Ministry Manifest & shipment documentation & permits.
- A pocket guide containing basic emergency response activities and sodium cyanide hazardous characteristics is issued to each vehicle of the convoy.

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On average 10 cyanide convoys are being made per year, with (from 2015-2017) each convoy carrying no more than 100 tons of content.

According to the Government Transport Protocols, TPE via CLS, the pertinent authorities and the mine informs the communities and the authorities regarding its programmed cyanide transport operations through.

Interaction with the government transit police (AMET), emergency & public health services to coordinate emergency response procedures. Additionally, TPE has received copies of the sodium cyanide MSDS & pocket emergency guide to the pertinent authorities and environmental agencies.

All shipments from the ports to the mine are performed in convoy which, for safety & logistical reasons, consists of a maximum of 5 x 20' container loads with three safety escort vehicles including a mechanical support vehicle with basic spare-parts, tires and a mechanic, from the time of leaving the Port of Caucedo, until the mine, always under CLS direction.

CLS holds, and documents, a pre-trip meeting the day before each delivery reviewing the program for the delivery convoy, with a revision of the responsibilities and duties related to cyanide handling and emergency response action for each member of the convoy including all TPE drivers. In addition to an inspection & review at the time of dispatch prior to the departure from the port area. Government Defense Civil Responders and Paramedic remain with the convoy all the time.

“TRANSPORTE PLAZA ESTEVEZ” (TPE), does not subcontract any cyanide handling or transport company.

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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.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.2
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

TPE use only trained, qualified and licensed drivers requested for CLS. Training has designed and established according to the rules and regulations of the General Department of Land Transport “Dirección General de Transporte Terrestre” (DGTT for its Spanish acronym) and the National Land Transport Network “Red Nacional de Transporte Terrestre” (RNTT for its Spanish acronym). RNTT requires its affiliates to meet specific training requirements, laboratory tests and insurance, to obtain registration as authorized drivers <http://www.rntt.com.do/servicios/>


This program will be for both CLS staff and the transport company staff that will carry the sodium cyanide from the Port of Caucedo and Rio Haina to Las Lagunas Mine, in conjunction with the relevant authorities (Police, Fire Department, Civil Defense, Minister of Environment).

TPE has designated 7 drivers and approved for CLS for cyanide container transport operations, records of their credentials & training are maintained valids on file.

The CLS convoy manager confirms the TPE drivers included in the list of approved drivers, as documented in the trip operation report. According to the training records and the shipment reports, only employees that participated in the training sessions have or may participate in the convoys all of whom have been instructed by CLS, Firefighter & Medical instructors.

Every TPE driver must meet the requirements of the National Land Transport Network (RNTT for its Spanish acronym). The main objective is to certify the driver who carries or moves the cargo, ensuring he/she has all the required documents update and if he/she has the necessary experience to handle the cargo.

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“TRANSPORTE PLAZA ESTEVEZ” (TPE), does not subcontract any cyanide handling or transport company.

Transport Practice 1.3: Ensure that transport equipment is suitable for the cyanide shipment.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.3
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

TPE has registry of designated & approved trucks for the transport of cyanide containers. The Containers chassis, being supplied by the line, are inspected upon ‘pick-up’ and prior to transport.

As the Process, procedure and contingency guide for Sodium Cyanide handling and transport states in page 11 and as a requirement of CLS, the equipment used by all companies hired to transport sodium cyanide to Las Lagunas must go through a maintenance program system with scheduled and temporary maintenance work as outlined below:

Daily Inspection

The daily inspections are a very important part of the maintenance system. It will allow the person in charge determine if unscheduled maintenance work must be done to the equipment or if such work can wait until the following scheduled maintenance.

The daily inspection will be conducted using a checklist before every journey. The truck driver will verify the following among other things:

- Tire pressure and condition.
- Engine oil level.
- Hydraulic fluid level.
- Fuel level.
- Cooling fluid level.

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- Check brake system.
- State and belt tension.
- Operation of lights and electrical components.
- Operation of instruments and pilot lights.
- Radio communication system and / or cellphone with enough battery charge and signal for the whole journey.
- A 5 pounds halogen hydrocarbon extinguisher in every truck.

TPE has implement procedures to verify the adequacy of the equipment for the load it must bear under the RNTT inspections and is a requirement of the city council office (mayor's office).

Preventive maintenance

According to manufacturer's recommendations a periodic preventive maintenance should be performed based on operating miles or hours, doing so by using pre-established maintenance guidelines. Included in the work corresponding to the periodic preventive maintenance jobs would be the ones requiring special attention such as: the inspection of the body sealing system and complete power train system checkup, body repairs and equipment cleaning and washing. Staff interviews confirmed that maintenance is performed and also that the National Land Transport Network (RNTT for its Spanish acronym) verifies it.

The trucks utilized for the transport of the cyanide container are manufactured in the last 10 years, having their service & maintenance records maintained on file with capacities from 350 to 450 HP. And a load capacities from 30.5 to 32 tons, which is in excess than that of a loaded container of approx. 25 gross tons (cargo, container & chassis).

The CLS Transport Protocol establishes the convoy manager is responsible for the inspection of every TPE truck and chassis prior to shipment. A checklist, concerning the truck and trailer conditions, the driver, the required documents, and truck accessories, is used to document the inspection. A checklist form is filled for each truck in the convoy. According to the reports and checklists, this inspection is performed the same day of the shipment. When minor deficiencies are identified these are fixed prior to the vehicle leaving its base to the Port or the vehicle is replaced. This was confirmed through the review of all transport operations that have been performed to date.

“TRANSPORTE PLAZA ESTEVEZ” (TPE), does not subcontract any cyanide handling or transport company.

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Transport Practice 1.4: Develop and implement a safety program for transport of cyanide.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.4
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

Per Dominican port procedures and security practices, all import containers at the ports have their containers seals broken, the contents confirmed and thereafter new seals are affixed to the container by a port commission consisting of Customs, Military Intelligence, anti-drug officers & port authority personnel.

As per the Transport Protocols, placards are affixed to the containers declaring the cargo, its IMCO classification destination, expeditor & transporter. In addition warning placards are affixed to each of the escort vehicles. The presence of same are duly recorded within the TPE/CLS pre-trip inspection report.

In the 2017 audit, it was evidence that new magnetic placards have been adopted.

Inspections are performed prior the vehicles departure to the port (documented by checklist included in convoy manager's report) in addition to a preventive maintenance program for the trucks which is cyclical and based on 10,000 Km. being the standard requirements for combustion engine vehicles and equipment.

TPE has a designated person responsible for keeping maintenance records, according to the reports made by the drivers. Maintenance records for the previous six months are maintained. These documents should be filed together with those that will be issued in the future in order to meet and comply with the requirements for the re-certification audits within the following three years.

The procedure established by The Dominican Republic Ministry of Defense states that load must transported during the day. The implementation verified in the 2017 audit is subject to strict compliance due to the permanent presence of units of the Military Police to reinforce compliance.

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TPE implement the procedure to prevent loads from shifting in any type of vehicle used for the transport of sodium cyanide to Las Lagunas Mine. The product to be transported shall be conveniently packaged, with good stability and be resistant to deformation.

The load in the chassis is performed under the standard and direction of the port control operator (DP World).

The day previous and prior to departure, the CLS convoy manager liaises with the police and military authorities to access any potential political or civil unrest on the route and assesses the weather conditions. If it is deemed necessary after consultation and only with agreement of the military authorities the delivery maybe postponed.

CLS and TPE prohibit the consumption of alcohol, drugs, or any other substance that may impair or reduce the function of the driver or a member of the convoy. Prior to departure of every shipment, if deemed necessary the members of the convoy may be tested for alcohol levels.

In the 2017 audit the same procedures related to record retention time, are maintained

Upon the concurrence of the police & military intelligence officers (J2) the convoy then proceeds on its trajectory.

The convoy manager records these processes & procedures within the trip report issued with each operation & all data pertaining to the transportation are maintained of at least three years.

“TRANSPORTE PLAZA ESTEVEZ” (TPE), does not subcontract any cyanide handling or transport company.

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Transport Practice 1.5: Follow international standards for transportation of cyanide by sea and air.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.5
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

As defined, the scope of this audit is only for ground transportation operations performed by CLS/TPE from Port to client's site.

“TRANSPORTE PLAZA ESTEVEZ” (TPE), does not transport by sea or air.

Transport Practice 1.6: Track cyanide shipments to prevent losses during transport.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.6
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

During the 2017 audit, the proper functioning of the communication radios was verified.

All members of the convoy and escort have mobile phones; in addition CLS provide a 2-way walkie-talkie to each TPE vehicle in the convoy and the lead and tail police outriders.

As per the pre-trip inspection both telephones & radios are confirmed operational prior to departure from the port area.

The convoy trucks are fitted with GPS transceivers and the progress of the convoy is tracked from both the base of the transporter and the main office of CLS. TPE records of the GPS speed track are maintained and form part of every trip report.

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During the transportation process between Puerto Caucedo and Las Lagunas Mine, the follow-up is continuously provided by GPS through the company TRANSPORTE PLAZA ESTEVEZ.

According to the route assessment and audit verification in 2017, there are no blackout areas in the route. This was confirmed during interviews with the drivers and during the audit.

Throughout the trajectory of the convoy, the CLS convoy manager reports the conditions, progress and position of the convoy by means of email or text messages to the CLS main office where from in turn the mine is kept informed of the convoy's progress and estimated time of arrival. These progress reports are also included within the trip report.

The following documents are carried by the convoy manager:

- A Complete set of shipping documents & cargo declarations
- A complete set of the requisite permits for the transportation & delivery of the Sodium Cyanide.
- Ministry of Environment Manifest & requisite supportive documentation.

Sender shipping reference guide include the product name, code number of the Union Nations (UN), number of packages transported and Material Safety Data Sheets. The MSDS sheet has not had any variations, it remains valid on page 35 of 44 of the Convoy Guide, verified in the 2017 audit.

“TRANSPORTE PLAZA ESTEVEZ” (TPE), does not subcontract any cyanide handling or transport company.

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2. INTERIM STORAGE: Design, construct and operate cyanide trans-shipping depots and interim storage sites to prevent releases and exposures.

Transport Practice 2.1: Store cyanide in a manner that minimizes the potential for accidental releases.

This operation is:

- In full compliance
- In substantial compliance Transport Practice 2.1
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

As per Dominican regulations, Sodium Cyanide must be delivered directly to its destination without deviation or interim storage. If any deviation or interim storage does occur this would be under the direct, strict control and direction of the Intelligence branch of the Dominican Armed Forces. During the 2017 audit, during the transportation process, the Military Police permanently accompanies the transportation process to give the approval to take the cargo directly to its destination.

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3. EMERGENCY RESPONSE: Protect communities and the environmental through the development of emergency response strategies and capabilities.

Transport Practice 3.1: Prepared detailed emergency response plans for potential cyanide releases.

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.1
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

TPE implement a CLS manual for the overall processes, procedures, emergency response and first aid attention for the transportation of Sodium Cyanide in the Dominican Republic, which after each delivery is reviewed for possible amendments against the trip report as issued by the convoy manager.

The manual has been prepared on the basis of interaction with the product suppliers (Cyanco), the mine and information attained through liaisons with Dominican & international authorities.

The Guide has detailed information concerning sodium cyanide characteristics and toxicity based on the MSDS.

TPE implemented "THE CONVOY GUIDE", it was modified in the month of June 2016, updating the reference of the orange book to version # 19 of 2015. Which is a document designed to meet the requirements of the Cyanide Code of The International Cyanide Management Institute (ICMI) and comply with the relevant authorities in the Dominican Republic. When there is a conflict between the provisions of this management plan and applicable laws (i.e. licenses, permits, consents and laws) the legal requirements of the Dominican Republic will be observed.

All emergency scenarios developed are related to TPE ground transportation, and verified during the documentation and face-to-face audit during the transportation process on November 10, 2017.

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All the scenarios are in relation with accidents of trucks hauling a chassis carrying a 20' standard dry container, which is the only transportation modality utilized.

Approaching the town of Bona0, 17 Km from the mine, extra precautions are taken due to the curve of the smaller radius of the route.

TPE used trucks and lowboy trailers that are certified for transport of sodium cyanide by the National Land Transport Network (RNTT for its Spanish acronym) "Red Nacional de Transporte Terrestre" and the City Council or Municipality.

CLS/TPE sets response action if incidents occur on the route, which is described below:

Based on the emergency response requirements on each accident scenario, members of the response team and external emergency response teams such as: police department, firefighters, health centers, ambulance, civil defense personnel, paramedics and hazmat team with equipment for spill cleanup have the responsibility to do the follow up and act accordingly on the following situations: Crash with another vehicle, vehicle rollover in steep slope or curve, rollover with spill, rollover with hurt persons, and rollover with the product reaching a water body, amongst others including prevention and mitigation instructions, as well as specific response instructions.

TPE has implemented a Sodium Cyanide Transport Emergency Response Plan which considers/states the responsibilities of CLS when facing an emergency situation, the actions that must be taken by the company personnel involved in the transport of cyanide sodium to Las Lagunas, representatives of the Transport Company and supplier. This plan not only considers events related to traffic accidents as well as semitrailer and truck overturns accidents with spill content into the environment.

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Transport Practice 3.2: Designate appropriate response personnel and commit necessary resources for emergency response.

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.2
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

TPE drivers received training every time a cyanide load is transported. The transport process guide establishes the trainings and their basic contents.

CLS and TPE hired the services of "SAFETY EXTREME" a training company for its staff training activities program.

CLS has a team who are well versed in emergency response procedures & their responsibilities for the initial response, communications (contact with the authorities), containment and recovery (IGN) in conjunction with the mine's emergency officer and the Dominican Emergency services.

From page 22 to 31 of the Convoy Guide June 2017 version: Specific Actions are detailed and remain the same as the Convoy Guide version 2014; along with roles and responsibilities of the personnel in charge during emergency cases such as accidents without injuries, equipment mechanical problems, collisions with or without injuries; collision with disabled driver, spill rollovers, rollovers with no spill, trucks on fire, cyanide spill on dry or wet conditions and decontamination of the affected area.

General Actions

During an emergency the person in charge of the convoy or the driver should contact the CLS convoy manager via telephone and /or radio. If the person has no way of contacting the CLS convoy manager then, he should request the authorities that always accompany the convoy (motorized police and civil defense) or a third party to do it for him. The CLS convoy manager or his deputy shall inform the transport company "TRANSPORTE PLAZA ESTEVEZ" and the Plant Manager in Las Lagunas Mine. Depending on the condition and severity of the emergency, firefighters or specialized hazardous material

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handlers, CLS staff for this purpose, will provide the initial emergency response at the incident area.

The person in charge of the convoy has the following functions:

He will instruct the driver the initial actions to be taken to control the situation. Send hazardous material handling team assigned to contain the emergency scene. Depending on the seriousness, Las Lagunas Plan Mine should also be present.

The CLS Manager will request special assistance to the transport company at the incident location. The Convoy Manager will inform the public service authorities about the emergency/incident. According to the law those authorities must always accompany the Convoy.

The following actions will be taken at the incident site:

CLS staff will serve as an advisor to the authorities, providing the necessary information related to the nature of the product. Check if the area has been protected. Check for traffic and people around the area of the incident. Stop and / or contain spills (protect sewers and watercourses). Request more help if necessary (cranes, backhoes, and trucks). Coordinate the clean-up of the incident area in order for it to return to its initial conditions. If there are casualties from the accident, the driver(s) may be arrested by the police. In this case, CLS must request custody of the truck and its contents and await the arrival of the representatives of the transport company to make a statement.

Paramedic unit: The paramedic accompanying the Convoy will be the person in charge of providing first aid assistance or oxygen supply if needed before the external emergency team arrives.


During the 2017 audit it was evidenced that in addition to the paramedic, a firefighter accompanies the convoy. Both are unit of the Fire Department of Santo Domingo, Sergeant and Lieutenant respectively.

The list of emergency response equipment remain valid in 2017.

The emergency equipment & materials are carried by the safety escort & HazMat vehicles positioned at the head and tail of the convoy.

CLS's training program includes contingencies for changes in TPE personnel besides a quarterly refresher program all of which are recorded.

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The 2017 audit show that during the drill the opportunity is taken to provide refresher courses for both CSL and TPE personnel, thought paramedic firefighter and the Convoy Manager.

An inventory check is affected the day before an operation and also prior to the delivery, the results of which are recorded within the trip report by the firefighter.

“TRANSPORTE PLAZA ESTEVEZ” (TPE), does not subcontracts any of the cyanide handling or transport.

Transport Practice 3.3: Develop procedures for internal and external emergency notification and reporting.

This operation is

- In full compliance In full compliance
- In substantial compliance Transport Practice 3.3
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

Communications, being the essence in any circumstance as in the 2017 audit, is organized from the Convoy Manager to the Mine Safety Officer & CLS main office where upon after analysis of the situation, if deemed necessary, the respective emergency services and authorities are called for their assistance.

Full listings of emergency contacts are carried by the response team managers and the Convoy Guide “Guía del Convoy” version June 2017 page 30-31 for all strategic points along the trajectory of the delivery route, enabling a response time of between 20 & 30 minutes anywhere along the route. This listing is continually being verified and updated as changes are established.

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Transport Practice 3.4: Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.4
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

The Convoy Guide version June 2017 pages 25-31 maintains the established procedure to clean a spill and the decontamination of the area consists of the following prime points'

Isolate & contain the area.

Sweep the cyanide to a recollection area.

Collect the debris in plastic bags or drums.

Treat the area with calcium carbonate and then with a 5% sodium hypochlorite solution, Wait at least 15 min, rinse the area with water.

Wait for the area to dry, recheck for contamination and then, if clear, remove the barricades

Procedure Guide "Guía del Convoy" (page 26 & 31) prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate, and hydrogen peroxide to treat cyanide that has been released to surface waters.

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Transport Practice 3.5: Periodically evaluate response procedure and capabilities and revise them as needed.

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.5
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

CLS operations establish that the Process and Convoy Guides be reviewed in conjunction with the TPE trip reports.

The Ministry of Environment and Natural Resources in Title VIII, Article 51, stipulates that mock emergency drills must be performed and also requires having Emergency Action Plans.

In the last three years three simulations have been carried out which include three stages: Induction in which the processes and objectives to be achieved are trained; the responsibilities of those involved in the simulation and the aspects of the simulation such as effects of cyanide, actions in case of poisoning, fire drill, simulation of spill and review of failures, response actions, and recommendations.

As required by the Law of the Dominican Republic, drills are mandatory as well as keeping emergency numbers updated. In all the simulations carried out, the Military Police (escort of the convoys), Firemen, Civil Defense, Ambulance doctor, Transport Authority, collaborators of Mina Las Lagunas, TPE, Customs and the MSC shipping company participated.

In the scenarios, the effectiveness and times in the placement of the personal protection equipment, the neutralization and firefighting procedures were proven.

The scenarios have been the carrier's vehicle yard on the dates Nov. 4th, 2016, August 6th, 2016 and June 24th, 2017.

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CLS, established procedure to evaluate the Emergency Response Plan, as drills lesson learned or whenever modifications are required or, if no interim modifications are required, an annual review and update should be affected.

In the 2017 audit, no modifications have been made to this requirement.

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