INTERNATIONAL CYANIDE MANAGEMENT CODE

CUSA S.A.C.

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In collaboration with:
INTERNATIONAL CYANIDE MANAGEMENT INSTITUTE

Cyanide Transportation Operations
Summary Audit Report

CUSA

For The
International Cyanide Management Code and CUSA S.A.C. – Callao – Lima – Peru

Verification Protocol

www.cyanidecode.org
July 2017

LIMA, PERU

LIMA, PERU
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INTRODUCTION

Information on the audited operation

Name of Cyanide Transportation Facility: CUSA S.A.C.
Name of Facility Owner: CUSA S.A.C.
Name of Facility Operator: CUSA S.A.C.
Name of Responsible Manager: Miguel Albornoz
Address: Av. De La Floresta 497 Oficina 303 – 304 San Borja - L41, Lima, Perú
State/Province/Country: Lima/Peru
Telephone: +51 618 5600 + Fax: +51 618 5601
E-mail: malbornoz@cusa-chem.com

Aspects of the location and description of the operation:

CUSA S.A.C, with more than 52 years in Peru, as a chemical distributor is present in mining market throughout, since 2002.

On July 31, 20123 signed the Code as a road transport from th port of entry to CUSA’s warehouse and to mines using trucking companies individually certified under the International Cyanide Management Institute.

At the time of the audit, CUSA had a building exclusively for the storage of cyanide which is in charge of the logistics department supervisor. The Warehouse facility is in Callao, Republic of Perú.

CUSA has a process for selecting suppliers PRO-TRA-001, in which are indicate the guidelines to be met, such as a signatory to the ICMI. Currently CUSA subcontracts the following carriers.

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According to the process map, when the purchase order is generated by the client, CUSA have a close communication with the transporter, which must be certified under the Code.

Global Ocean Supply Chain – All global ocean moves of sodium cyanide that originate in the

- Tongshuh Petrochemical Corporation, LTD (Port of Pusan, Korea)
- Lucebni Zavody Draslovka (República Checa | Port of Hamburg)
- Anhui Anqing Shuguang Chemical Co. Ltd (Port of Tianjin, China or Port of Qingdao, China)

As part of the CUSA Supply Chain are within the scope of this certification audit. CUSA processes used to manage the ocean transport of its products were evaluated through interview, a review of process descriptions, company standards, policies, shipping records, and due diligence records. The results of the due diligence evaluations of THREE (03) ocean carriers are also contained within this report. The three ocean carriers for which due diligence investigations were performed are:

- Hamburg Süd
- Hapag Lloyd
- Maersk Line Agency

The Due Diligence Investigations were also conducted for ISOSURE in use at the time of the audit. Records were sampled to confirm that CUSA had either evaluated the ports specifically for cyanide safety handling practices, or that the port had been previously approved and used by CUSA for hazardous material shipments. The ports listed on the following page are used by CUSA for sodium cyanide shipments to gold mine customers and were included in this certification audit.
SUMMARY AUDIT REPORT

FOR CYANIDE TRANSPORTATION OPERATIONS

Instructions

1. The basis for the finding and/or statement of deficiencies for each Transport Practice should be summarized in this Summary Audit Report. This should be done in a few sentences or a paragraph.

2. The name of the cyanide transportation operation, lead auditor signature and date of the audit must be inserted on the bottom of each page of this Summary Audit Report.

3. An operation undergoing a Code Verification Audit that is in substantial compliance must submit a Corrective Action Plan with the Summary Audit Report.

4. The Summary Audit Report and Corrective Action Plan, if appropriate, for a cyanide transportation operation undergoing a Code Verification Audit with all required signatures must be submitted in hard copy to:

   International Cyanide Management Institute (ICMI)

   1400 I Street, NW, Suite 550

   Washington, DC  20005, USA

5. The submittal must be accompanied by 1) a letter from the owner or authorized representative which grants the ICMI permission to post the Summary Audit Report and Corrective Action Plan, if necessary, on the Code Website, and 2) a completed Auditor Credentials Form. The lead auditor’s signature on the Auditor Credentials Form must be certified by notarization or equivalent.

6. Action will not be taken on certification based on the Summary Audit Report until the application form for a Code signatory and the required fees are received by ICMI from the applicable cyanide transportation company.

7. The description of the cyanide transport company should include sufficient information to describe the scope and complexity of its operation.
The International Cyanide Management Code

This Operation is:

X in full compliance

in substantial compliance

not in compliance

with the International Cyanide Management Code.

Audit Company: ISOSURE SAC | CIANURO INCORPORATED EIRL
Audit Team Leader: Luis Torres Argandoña
E-mail: auditoria@iso-sure.com
Date(s) of Audit: 26 and 27 July 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 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.

Name and Signatures of Other Auditors

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<th>Name</th>
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<tr>
<td>Luis Torres Argandoña</td>
<td>Lead Auditor and Transportation, Production</td>
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<td>27 July 2017</td>
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LEGALIZACIÓN AL DORSO
TRANSPORT

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

1.1 TRANSPORT PRACTICE 1.1

SELECT CYANIDE TRANSPORT ROUTES TO MINIMIZE THE POTENTIAL FOR ACCIDENTS AND RELEASES.

X in full compliance with

☐ in substantial compliance with Transport Practice 1.1
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Standard of Practice 1.1 requiring an operation Select cyanide transport routes to minimize the potential for accidents and releases.

The CUSA operation for the transport and storage of sodium cyanide was subject to an audit. The Auditor was verifies and all questions related to the transport protocol ICMI were answered. CUSA has the procedure for the Transport of Sodium Cyanide, whose goal is to transport sodium cyanide, without causing damage or injury to persons and / or the environment and the preservation of substances transported from port of Callao to CUSA.

CUSA designates a carrier for the transportation service it performs, these carriers are duly qualified by the ICMI. In addition to this, CUSA carries out an annual review of the carriers. CUSA currently has the capacity to develop transport with its own units. For this purpose, it conducts annual route evaluations. For this, the criteria used to evaluate the route are: traffic density, cities, bridges, channels, road conditions, route design (curves, berms, number of lanes), altitude, crossroads, detours, climatic conditions and sociopolitical conditions in compliance with the provisions of the Code.

In the evaluation report, the route was identified as an important risk: urban areas, high traffic, speeding in vehicles, winding road (characteristics of the Peruvian geography) and transportation of other dangerous goods.

CUSA states that in conjunction with the Transport Company must conduct the evaluation of the route prior to the first transport to a customer base or annual basis by the Chief Safety Officer Safety or the Transportation Company and Chief operations. CUSA states that in conjunction with the transport company must conduce the evaluation of the route prior to the first transport to a customer base or annual basis by the Safety Officer or Safety Manager of the carrier and a Chief operations CUSA cyanide. The evaluation of the route will be regularly update by the carrier CUSA and find new de Cyanide of the CUSA.

The evaluation route is performed annually by the transport company hired CUSA. During the evaluation of route CUSA staff participates with the staff of the transport company.

The Safety Officer or Safety Manager of the carrier and Chief Operating CUSA cyanide is responsible for the development of the "Road Map" must consider the following points during the evaluation:
As previously noted, the risk assessment of each routes describes the risks identified along them and the specific measures to be taken to address the risks.

The existence of letters sent to the fire companies and medical centers to communicate their roles in case of any emergency and open communication channels between CUSA and emergency support centers were check. Each of the support centers that are consider in the Emergency Plan CUSA sealed these.

Among the letters were consider emergency support centers (fire companies and medical centers) near CUSA and routes used by carriers hired by CUSA.

For the transport of sodium cyanide, CUSA requests that third party carriers have a control room and that the transport units have a GPS system which continuously provides the positioning of each vehicle at all times. Likewise, for the management of its own units it is evident that CUSA has a GPS system for the continuous supervision of its units. During transport, the speed at each point of the route is verified from the point of departure to the end, this information is monitored by the CUSA Transport Manager.

CUSA also establishes specifications for the use of truck escort during the transit of sodium cyanide. One (01) escort van is established for every three (03) or less traffic loading units.

Only you can load ONE (01) Container for each platform and you can only drag one wagon chassis. The displacement of the convoy depends on the weather conditions; Convoy Leader evaluates the safety of the route in each case, you can stop the convoy if you are satisfied that the conditions do not allow a safe trip.

After each trip, the convoy leader must submit the “Trip Report” where the findings that compromise safety during transport are included within the assessment trail for evidence of modification.

CUSA information given (MSDS, emergency record and record of product information) to support emergency centers (health centers and fire companies) along the above routes, evidenced by a letter signed and received with such information. This activity is carry out for external support centers could be prepare for emergencies. In addition, external support centers comments are ask to manage risk as a way to query and get feedback.

When CUSA carrying sodium cyanide, the control room of Transport, continuously provide the positioning of each of the vehicles at all times, as well as continuous monitoring of the velocity at each point of the route. This control done through geofencing these indicate the maximum and minimum speed of the train each way along the route based on information provided by the roadmap.

CUSA subcontract the cyanide transport operations (EDEWIT and TLI, certificated by ICMI).

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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.**

X in full compliance with

| The operation is | in substantial compliance with Transport Practice 1.2 | not in compliance with |

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

The operation is in FULL COMPLIANCE with Standard of Practice 1.2 requiring an operation Ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

CUSA procedure establishes minimum requirements for drivers: health, legal, defensive driving training, emergency response training with sodium cyanide (spills and poisoning prevention).

CUSA verifies that drivers have an A3 driver's license (freight transport) and an A4 driver's license (transport of hazardous materials), this last license is delivered by the Peruvian state to the driver after passing a 24-hour course. During the hearing, a copy of the licenses of the drivers of third parties and the drivers of CUSA was evidenced.

CUSA establishes criteria for the evaluation of the route to: traffic density, cities, bridges, canals, road conditions, route design (curves, berms, number of lanes), altitude, intersections, detours, weather conditions and the socio-political conditions. CUSA states that transport companies that hires must use the criteria thereof which are audited by CUSA annually as a result of the audit verifies that carriers comply with the standards set CUSA by the same audit CUSA evidence carriers use trained, qualified and licensed operators to operate their vehicles. In the same way, it is evident that all staff and transport equipment are in a position such that the possibility of cyanide releases and exposures are minimize.

CUSA, warehouse in Callao, each year all staff (the warehouse and transport) has to go through different types of training, including new staff from scratch. There is a matrix for training. They are divide into sections for safety and routine work. Special training is carry out by the fire department and external entities specialists.

CUSA has trained personnel in safe handling and storage of sodium cyanide, as well as the 2016 and 2017 Annual Training Program, which evidenced the training involved in transport (own and third). We proceeded to interview two (02) drivers demonstrating knowledge in safety with sodium cyanide.

The CUSA subcontract the cyanide transport operations (EDEWIT and TLI, certified by ICMI).

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1.3  **Transport Practice 1.3**

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

X in full compliance with

The operation is

- [ ] in substantial compliance with Transport Practice 1.3
- [ ] not in compliance with

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

The operation is in FULL COMPLIANCE with Standard of Practice 1.3 requiring an operation Ensure that transport equipment is suitable for the cyanide shipment.

CUSA tiene un plan de mantenimiento para sus propias unidades, un registro del mantenimiento de las mismas, así como de los registros ante el estado peruano para la operación de transporte.

CUSA states that Transport Companies hired must have a maintenance procedure and planning of it, this requirement is audit by the Safety Officer CUSA annually according to the program without warning. CUSA also states that hire companies must meet the requirements of ICMI and the Ministry of Transport and Communications (MTC) of Peru.

CUSA states that vehicles will be hired lowboy trailers with a maximum load capacity of 22 tons, which are certify to transport sodium cyanide by the Peruvian government.

In addition, before each trip CUSA staff verifies that vehicles are fit to travel and meet the requirements described above.

For service storage of sodium cyanide (cylinders and boxes), CUSA has evidence of procedures for these operations. It was evident he was about a maintenance plan that contains the equipment for handling cyanide, which states: manufacturer, make, model and serial numbers and kinds of maintenance that must be maintain in accordance with the guidelines of manufacturer.

Evidences of dates and hours of service for maintenance - the equipment was verify.

Prior to their loading and use trucks are inspected by staff CUSA to demonstrate any deviation that jeopardize the operation, based inspection in the format "Checklist Previous -Trip" if find any deviation is made the communication with the company carries for prior to the start of the operation solution.

After the load is, fixed CUSA makes a record of the weights and measures to record the weight of the load and verify that this does not exceed the maximum set of 20 TM as established in Peruvian Law by type of vehicle configuration.

In addition, there are in all the routes used, controls weight and size of the Ministry of Transport and Communications (MTC) of Peru.

Before giving the output of unit personnel CUSA check that the carrier has the following duly completed documents:

- Referral Guide Submitter
- Carrier Referral Guide
- Tract Property Cards and Semi-Trailer
- Proof of registration of the vehicle in the National Register of Road Transport Hazardous Materials and Waste issued by the Ministry of Transport and Communications MTC (tractor and semi-trailer).
- Circulation Card MTC
- Driver's License driver
- Course Freight ERM
- National Identity
- Data Sheet Material Safety Data Sheet (MSDS) Sodium Cyanide
- Primer Product Safety Contingency Plan for the Transport of Sodium Cyanide
- Certificate of Technical Inspection for transporting hazardous materials
- Liability Policy
- Cash or Risk

In addition, CUSA staff inspects the forklift, considering the following points: Suitable for a transporter tonnage, lower antiquity to 5 years. Exterior and interior of the unit in good condition (no damage), forklift mast in good condition (no cracks or breaks), cleaning the unit as mirrors in good condition and complete, safety belts and operating clean, no signs of leaking oil, coolant or fuel, parking brake operative, operative wheels, alarm, back in good state.

There are documented procedures that set the conditions in place to prevent overloading of the transport vehicle used for cyanide management; these include issues of safety and environment, as quoted below:

- Inspection of packaging
- Sobriety
- Control of HCN Levels
- Check List loading and unloading
- Check List container reception
- Procedure for Cargo and Storage Discharge
- Risk Assessment Matrices
- Contingency Plan - Cyanide Management

The operation of loading and unloading of sodium cyanide is carry out in the switchyard outside the store, in front of the storage area Sodium Cyanide. During loading and unloading, has surveillance by a Warehouse Supervisor CUSA.

1.4 TRANSPORT PRACTICE 1.4

DEVELOP AND IMPLEMENT A SAFETY PROGRAM FOR TRANSPORT OF CYANIDE.

X in full compliance with

The operation is  □ in substantial compliance with Transport Practice 1.4

□ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Standard of Practice 1.4 requiring an operation Develop and implement a safety program for transport of cyanide.

CUSA established a transportation method avoiding disturbances during motion describing the administrative, operational and safety measures for the smooth operation of the transport of sodium cyanide.
For the transport of sodium cyanide, CUSA requests that the carrier count with a control room, with the GPS system continuously provide the positioning of each of the vehicles at all times.

Before the trip, CUSA verifies that the three visible sides of the vehicles are equipped with UN Number, NFPA diamond and diamond DOT. Peruvian law fulfilled Supreme Decree 021-2008-MTC Regulation for the transport of hazardous materials / waste.

CUSA check out by prior agreement of inspection units by CUSA Staff to ensure that vehicles and escort vehicles are in good condition.

CUSA audited annually and unexpectedly the maintenance plan of the transport companies and the maintenance records of the units are reviewed, CUSA has a prevent maintenance plan of the units and was review maintenance records and practice was confirmed during the observation and was evident in the interview with CUSA Safety Supervisor, and Drivers.

CUSA states that Drivers Transportation Companies should rest at least 8 hours before a trip and do not drive more than 12 hours a day and daylight driving only during the day. It is noteworthy that the Peruvian rules provide the same hours for the transport of hazardous materials “DS 009-2004-MTC Regulation of Transport Management Act”.

CUSA places the burden of cyanide must travel in containers of 10 feet, 20 feet or 40 feet, developing mechanisms to prevent movement.

CUSA set your procedure; CUSA supervisor in the warehouse must verify that the load must be properly secured in the container, during the visit by staff indicated that if necessary elements are used to secure the load so that the load does not move inside the container.

CUSA states that the trip will take place in the way of convoy; the Convoy Leader is responsible for the assessment of weather conditions and is empowered to suspend the transport convoy.

At the end of the trip, the leader of the operation and drivers must submit a report detailing the same route incidents, advance information, and find relevant and sensitive areas to ensure the safety and Safety information on future trips.

CUSA has a Policy of ZERO consumption of alcohol and drugs or any other substance that may impair or reduce the function of the transport driver. Prior to the commencement of activities necessary to perform a test alcohol test and periodically discard evidence of drug use, the violation of this policy has resulted in the separation of the worker from the organization.

CUSA retains records documenting that the vehicle inspections carried out, the operation has a maintenance program and follows up on the maintenance plan of the subcontracted units, CUSA limits the hours of the drivers to TEN (10) Hours a day and Transportation is only done during the day. Before starting the transport, it is verified that the drivers have rested at least EIGHT (08) hours before starting the trip.

CUSA carries out controls on the use of alcohol and drugs prior to the start of activities and has zero tolerance for alcohol or drug use. The records are retained for a minimum of FIVE (05) years.

CUSA establishes guidelines to ensure that their subcontractors comply with items 1, 2 and 3 of this must be respected according to the Transport Practice 1.4.
1.5 **TRANSPORT PRACTICE 1.5:**

**FOLLOW INTERNATIONAL STANDARDS FOR TRANSPORTATION OF CYANIDE BY SEA AND AIR.**

X in full compliance with

The operation is
- [ ] in substantial compliance with Transport Practice 1.5
- [ ] not in compliance with

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

The operation is in FULL COMPLIANCE with Standard of Practice 1.5 requiring an operation Follow international standards for transportation of cyanide by sea and air.

CUSA ships its sodium cyanide on main line ocean carriers that have demonstrated safety programs and safe performance. The ocean carriers sign standard contractual agreements that require that the carrier adhere to applicable regulations and have “organized safety programs.”

Contracts were reviewed during the audit and this standard clause appears in the ocean carrier contract. Each carrier was asked for information regarding fulfillment of ICMI Cyanide Code requirements using a customized ICMI transportation protocol. Responses and information provided by all ocean carriers was deemed to be appropriate by the auditor.

The CUSA Ocean Carrier contracts require that all transportation is conducted in accordance with all regulatory requirements.

The ocean routes are chosen by the ocean carriers. Destination ports are evaluated by the CUSA. This is done prior to the first shipment of product to a new location. Records were available to show that port evaluations had been conducted at each of the international ports used in this Supply Chain. CUSA has also concluded that the Homeland Security infrastructure that is available to assist ports with regard to security and emergency response is sufficient to conclude that ICMI Cyanide Code requirements are fulfilled.

The auditor concluded that CUSA has effective processes for ensuring that international ports have demonstrated appropriate safety, security, and road infrastructure prior to being approved for hazardous material shipments.

As recommended by the ICMI Auditor Guidance for the Use of the Cyanide Transportation Verification Protocol, specific information regarding this practice is addressed below:

a) The CUSA packaging specifications were reviewed as part of the verification audit and were found to be conformant to the packaging requirements of the IMDG Code.

b) Packaging for drums and IBCs reviewed as part of the due diligence evaluation were appropriately marked and were found to be compliant with Chapter 5.2 of the IMDG Code requirements.

c) Packaging for drums and IBCs reviewed as part of the due diligence evaluation were appropriately labeled and were found to be compliant with Chapter 5.2 of the IMDG Code requirements.

d) Loaded inter-modal containers were evaluated and were found to be marked and placarded in accordance with the IMDG Code.

e) Shipping documents were reviewed for a sample of cyanide shipments from January 2016 through July 2017 for each ocean carrier used in this supply chain. All information required by the IMDG Code is required as standard practice on CUSA shipping paperwork.
g) The container packing certificates from 2016 shipments were reviewed during the audit as part of the overall evaluation of shipping papers. All information was found to be conformant to IMDG Code requirements.

h) CUSA maintains records which show that the ocean transport is conducted in compliance with all international and DOT (U.S. Department of Transportation). The ocean carriers confirmed to CUSA that they have cyanide emergency response information available on board each vessel.

i) CUSA maintains records which show that the ocean transport is conducted in compliance with all international and DOT requirements.

The ports and the Ocean Carries included are:

Ports

a. Port of Callao, Peru
b. Tongsuh Petrochemical Corporation, LTD (Port of Pusan, Korea)
c. Lucebni Zavody Draslovka (República Checa | Port of Hamburgo)
d. Anhui Anqing Shuguang Chemical Co. Ltd (Port of Tianjin, China or Port of Qingdao, China)

Ocean Carries

a. Hamburg Süd
b. Hapag Lloyd
c. Maersk

CUSA not transported by air transport.

1.6 **TRANSPORT PRACTICE 1.6:**

**TRACK CYANIDE SHIPMENTS TO PREVENT LOSSES DURING TRANSPORT.**

X in full compliance with

☐ in substantial compliance with Transport Practice 1.6

☐ not in compliance with

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

The operation is in FULL COMPLIANCE with Standard of Practice 1.6 requiring an operation Track cyanide shipments to prevent losses during transport.

CUSA states that contract carriers must use a GPS system. They must also have a telephone service, radio and cellular pathway that ensures full coverage during movement and be fully connected to the control room where his base and CUSA. In addition to providing, a system that continuously indicates the position of each vehicle at all times.

CUSA inspects the telephone lines are in operation prior to departure, further checks are done to verify the operation of mobile equipment, GPS and radio by List Pre-Trip Inspection Authority.

Additional, CUSA periodically test communication equipment to ensure it functions properly.

CUSA has identified areas without cell coverage and radio, for it asks CUSA contract carriers using satellite equipment.
CUSAs has a unit tracking procedure, for the monitoring of the own units, there is a person in charge of tracking through the GPS system, and sends reports every two (02) hours to the client. Likewise, for subcontracted carriers, CUSA verifies that they have a GPS system and that they send a report of the follow-up thereof every TWO (02) hours.

Before each trip CUSA check the bill of lading and waybill, transported amounts of cyanide, Data Sheet Material Safety also this documentation must be available throughout the trip as CUSA guidelines, this same data is review by Customer (final destination). Note that this information must be show to the inspectors if MTC is request otherwise the carrier be fine.

CUSAs is secure before each trip that the sender reference guide to indicate the product name, number of the United Nations (UN), and weight of packages transported cargo quantity, and likewise that product safety considerations indicated.

CUSAs establishes guidelines to ensure that their subcontractors comply with the elements 1 to 6 of this, should be respected according to the Transport Practice 1.6.

The CUSA subcontract the cyanide transport operations (EDEWIT and TLI, certificated by ICMI).

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INTERIM STORAGE

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

2.1 TRANSPORT PRACTICE 2.1

STORE CYANIDE IN A MANNER THAT MINIMIZES THE POTENTIAL FOR ACCIDENTAL RELEASES.

X in full compliance with

The operation is □ in substantial compliance with Transport Practice 2.1
□ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation is NOT APPLICABLE with Standard of Practice 2.1 requiring an operation Store cyanide in a manner that minimizes the potential for accidental releases.

CUSA within the supply chain distribution warehouse account.
EMERGENCY RESPONSE:

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

3.1 **TRANSPORT PRACTICE 3.1:**

**PREPARE DETAILED EMERGENCY RESPONSE PLANS FOR POTENTIAL CYANIDE RELEASES.**

X in full compliance with

The operation is □ in substantial compliance with Transport Practice 3.1

□ not in compliance with

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

The operation is in FULL COMPLIANCE with Standard of Practice 3.1 requiring an operation Prepare detailed emergency response plans for potential cyanide releases.

CUSA has an Emergency Response Plan, the information on road conditions, defined in the Roadmap document. The Emergency Plan describes the response actions for emergencies previews. These were verify during the audit.

The Emergency Response Plans for transportation is suitable for the selected transport route, based on the hazards and risk assessment after the completion of the ROADMAP.

The Emergency Response Plan is suitable for the selected transport route, taking into account the physical and chemical form of cyanide clearly based on the Safety Data Sheet of the Product "Sodium Cyanide". CUSA is a transporter of sodium cyanide supply in solid state (briquettes).

CUSA indicates the use of trucks to transport sodium cyanide taking into account the characteristics of the equipment and assesses the structural condition of the road where the transportation sodium cyanide is done.

Information on road conditions is defined in the Roadmap document. The Emergency Response Plan describes the response actions for anticipated emergency situations. These were verified during the audit.

It also establishes the logical line of action to be taken by the convoy leader and drivers in case irregularities arise during transportation of sodium cyanide.

CUSA requests and verifies that the transport companies use trucks also all ships in trailers low or high platform acquired with a maximum load capacity of 22 tons, which are certify to transport sodium cyanide by the Government Peruvian.

CUSA sets action if incidents occur on the route which is described below.

- Mechanical problems/does not continue
- Rollover with spill
- Rollover with no spill
- Fire in the truck
• Crash with injuries/no injuries
• Water spill, cleaning and decontamination
• Spill with rain (falling to the ground, Meltdown, the presence of others, railway, earrings)

Awareness on the part of drivers and supervisors of the actions in each case was evidenced after interview with the staff.

CUSA has defined three levels of emergency response:

• **1st Response** – Product Spill of less than 1 tons.
• **2nd Response** – Product Spill of more than 1 tons or Product Spill in contact water.

For 2nd Response, CUSA subcontracts External Emergency Responder (IFSEC PERU) and also contacts the Fire Department, Police, and Emergency Medical Services.

During 2nd Response emergencies, the External Emergency Responder is in charge of the emergency response actions when they arrive (delimitation of the area, communication, and access and traffic control are performed by the drivers and the safety specialist while the External Emergency Responder arrives). However, when the National Fire Department arrives to the scene, they take control of the emergency, as established by local regulations. This is established in the Emergency Response Plan. Finally, specific roles of each outside responder are outlined in the Emergency Response Plan.

3.2 **TRANSPORT PRACTICE 3.2:**

*DESIGNATE APPROPRIATE RESPONSE PERSONNEL AND COMMIT NECESSARY RESOURCES FOR EMERGENCY RESPONSE.*

X in full compliance with

The operation is

☐ in substantial compliance with Transport Practice 3.2
☐ not in compliance with

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

The operation is in FULL COMPLIANCE with Standard of Practice 3.2 requiring an operation Designate appropriate response personnel and commit necessary resources for emergency response.

CUSA, requests transport companies and supervisors training in response to emergencies on safe handling of cyanide (spills and poisoning), and other courses. Personnel must be trained in defense management, firefighting, first aid, level I and level 2 hazardous materials. CUSA asks suppliers to renew their training annually and to comply with the training plan; this is evidence when reviewing the 2016 and 2017 training plans that verify the fulfillment of specific skills. The same training requirements are mandatory for CUSA staff and could be evidenced.

CUSA has an Emergency Response Plan, where you can find specific responsibilities in an emergency, differentiating responsibility. CUSA and its team, the company transportation and emergency response companies, are informed of these responsibilities3. Is there a list of all emergency response equipment that should be available during transport or along the transportation route?

Each truck has the necessary amount of emergency response equipment and the safety escort also has a Response Kit for spills and poisoning (oxigen), and personal protective equipment which must be verified...
before the trip, as well as the verification of courses prior to starting the travels and the periodic emergency response training.

CUSA verifies that the carrier has the necessary equipment for emergency response.

Inspection records of the response teams prior to each trip through the emergency Checklist before Trip were check. The presences of these teams in the convoy were verify. The Emergency Plan indicates staff functions in an emergency, also the emergency equipment to be use in both the first and second response. The Emergency Plan describes specific emergency response roles and responsibilities of staff.

CUSA trains staff and staff of transport company. The transport vehicle operators receive initial and periodic refresher training in emergency cyanide (Spill and poisoning) annually and emergency response procedures including implementation of the Emergency Responce Plan. Additionally organizes lectures before the trip indicating safety procedures and a summary of actions in an emergency. Delivering drivers summary information emergency response plan.

During the audit process were interviewed to transport personnel and reported having received training.

In the “Procedure for loading, transportation and unloading of sodium cyanide”, is specified the verification criteria of the units before each journey.

During the audit, inspection records were evident.

The CUSA subcontract the cyanide transport operations (EDEWIT and TLI, certificated by ICMI).

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>OPERATION</th>
<th>DATE OF CERTIFICATION</th>
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<tbody>
<tr>
<td>EDEWIT SRLtda</td>
<td>Transportation</td>
<td>July 12, 2017</td>
</tr>
<tr>
<td>TLI Transportes</td>
<td>Transportation</td>
<td>February 24, 2017</td>
</tr>
</tbody>
</table>

3.3 **TRANSPORT PRACTICE 3.3:**

**DEVELOP PROCEDURES FOR INTERNAL AND EXTERNAL EMERGENCY NOTIFICATION AND REPORTING.**

X in full compliance with

The operation is □ in substantial compliance with Transport Practice 3.3

□ not in compliance with

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

The operation is in FULL COMPLIANCE whit Standard of Practice 3.3 requiring an operation Develop procedures for internal and external emergency notification and reporting.

It was evident that the contact information in case of emergency is update in case of emergencies and update the Emergency Plan in this case warrants. The Emergency Plan indicates the current list of contact, which is review, and updated through calls in each revision of Emergency Planning. By performing 02 calls to the numbers given in the contact list updating is evidenced contact numbers in case of emergency.
The Emergency Response Plan includes an internal communication and external schema that specifies the call flow by the safety personnel, the receptors, the regulatory agencies, external response providers, medical centers, fire departments, and communities potentially affected by an emergency.

3.4 **Transport Practice 3.4:**

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

X in full compliance with
The operation is □ in substantial compliance with Transport Practice 3.4
□ not in compliance with

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

The operation is in FULL COMPLIANCE with Standard of Practice 3.4 requiring an operation develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

It was noticed in the Emergency Response Plan the description of how to recover or neutralize the solids, the procedure of decontamination of soils or other contaminated medium and how to manage these wastes.

The Emergency Response Plan prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released to surface waters.

3.5 **Transport Practice 3.5:**

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

X in full compliance with
The operation is □ in substantial compliance with Transport Practice 3.5
□ not in compliance with

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

The operation is in FULL COMPLIANCE with Standard of Practice 3.5 requiring an operation Periodically evaluate response procedures and capabilities and revise them as needed.

The period of review and evaluation of this Emergency Response Plan is at least once a year.

The CUSA’s Management is responsible for requesting immediate changes to this Plan, in the event of serious incidents, by simulation results, results of audits or inspections by process improvement etc.

During the audit, records spill drill evidenced, in 2016 and 2017.

The Emergency Response Plan and the Training Plan define the frequency of emergency drills. The document presents the schedule of emergency simulations.
The simulations are made by the Chief of Safety who has an ANNUAL DRILL PROGRAM indicating the completion of ONE (01) practical simulation, for the purpose of evaluating the effectiveness of the Emergency Plan and correct what is indicated on it.

The purpose is to measure the efficiency of the response procedure to ensure that the staff involved in an emergency act according to the Emergency Response Plan.

The Chief of Safety takes into account the rapid preliminary compilation of the situation, gathering basic facts as they are known such as time the who, what, where, when, how and why of the situation, contacts the responsible person and broadcasts the obtained information, and continuously communicates with the Convoy Leader and will meet the requirements of authorities.
Alcance de certificación:
PROVISIÓN DE SERVICIOS DE CONSULTORÍA.
CAPACITACIÓN Y GESTIÓN DE RECURSOS HUMANOS.
MONITOREO OCUPACIONAL.

ISOSURE S.A.C.
Calle Dean Valdivia #148 Edificio Platinum Torre I Piso 11 Oficina 1126
San Isidro - Lima - Perú
Central Telefónica: +51 01 711 8249

Contáctese con ISOSURE
comercial@iso-sure.com / marketing@iso-sure.com