

Cyanide Transportation
Summary Audit Report
For The
International Cyanide Management Code and
CESLOG CESARI LOGÍSTICA LTDA

www.cyanidecode.org

December 2016

The International Cyanide Management Code (hereinafter “the Code”), this document, and other documents or information sources referenced at www.cyanidecode.org are believed to be reliable and were prepared in good faith from information reasonably available to the drafters. However, no guarantee is made as to the accuracy or completeness of any of these other documents or information sources. No guarantee is made in connection with the application of the Code, the additional documents available or the referenced materials to prevent hazards, accidents, incidents, or injury to employees and/or members of the public at any specific site where gold is extracted from ore by the cyanidation process. Compliance with this Code is not intended to and does not replace, contravene or otherwise alter the requirements of any specific national, state or local governmental statutes, laws, regulations, ordinances, or other requirements regarding the matters included herein. Compliance with this Code is entirely voluntary and is neither intended nor does it create, establish, or recognize any legally enforceable obligations or rights on the part of its signatories, supporters or any other parties.

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:

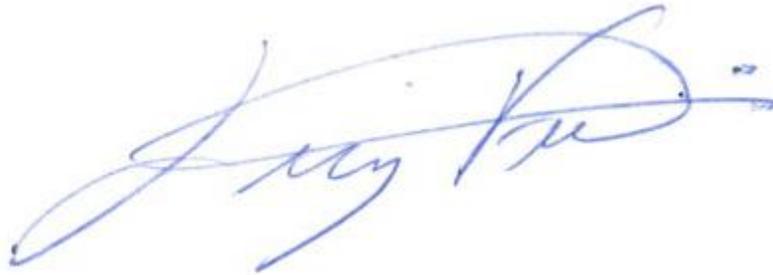
International Cyanide Management Institute (ICMI)
1400 I Street, NW, Suite 550.
Washington, DC 20005, USA
Tel: +1-202-495-4020
5. The submittal must be accompanied by 1) a letter from the owner or authorized representative which grants the ICMI permission to post the Summary Audit Report and Corrective 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.

SUMMARY AUDIT REPORT

Name of Cyanide Transportation Facility: Ceslog Cesari Logística Ltda
Name of Facility Owner: Ceslog Cesari Logística Ltda.
Name of Facility Operator: Ceslog Cesari Logística Ltda.
Name of Responsible Manager: Ubino Ornelas Pontes
Address: Rua Claudino Domingues Graça 381, Jardim das Indústrias, Cubatão
State/Province: São Paulo
Country: Brazil
Telephone: (55+13) 33256899
E-Mail: ubino@cesari.com.br

Location detail and description of operation:

The Ceslog Cesari Logística Ltda is focused on the road transportation of dangerous products operations, without interim storage. The operation is located at Cubatão town, São Paulo, southeast of Brazil) and intends to transport cyanide. The operation trucks, specifically designed and bought to transport dangerous products containers, are remotely monitored 100% during the travel between the seller and the final client and equipped with on board computer. The operation drivers are qualified, based on the Brazilian legislation, to transport hazardous chemical products.

A handwritten signature in blue ink, appearing to read 'Ubino Ornelas Pontes', is centered on the page.

SUMMARY AUDIT REPORT

Auditor's Finding

This operation is:

- in full compliance
- in substantial compliance *(see below)
- not in compliance

with the International Cyanide Management Code.

- * For cyanide transportation operations seeking Code certification, the Corrective Action Plan to bring an operation in substantial compliance into full compliance must be enclosed with this Summary Audit Report. The plan must be fully implemented within one year of the date of this audit.

Auditing Company: Ferreira & Cerqueira Ltda.

Audit Team Leader: Luiz Eduardo Ferreira (ICMI qualified lead auditor and transportation qualified TEA (technical expert auditor)).

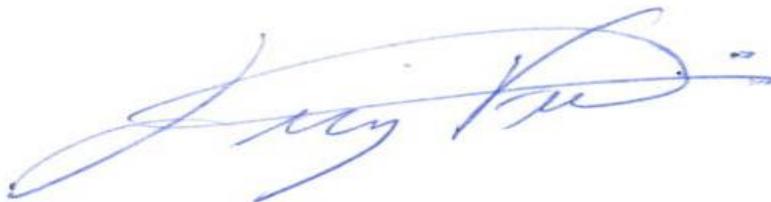
E-mail: luizeferreira2015@gmail.com

Names and Signatures of Other Auditors: Not applicable

Date(s) of Audit: 18.07.2018 ~ 20.07.2018 (on-site) and 21.07.2018 (off-site).

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



SUMMARY AUDIT REPORT

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.*

The operation is in full compliance with
 in substantial compliance with Transport Practice 1.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Ceslog is committed to implement a process and procedure for selecting transport routes that minimizes the potential for accidents and releases or the potential impacts of accidents and releases. Ceslog knows the necessary items in order to minimize the potential for accidents and releases.

Ceslog defined an internal documented procedure – POP.C.04 – “Elaboração, atualização e disponibilização de Rotograma” which provides in item 6.2 the methodology to identify and select appropriate and safer routes to transport dangerous products from the producer until the consumer. Ceslog evidenced that the used routes for transporting dangerous products consider the population density along the route, the infrastructure (asphalt, double or single speedway, gas stations, police stations, emergency stations, communication, shadow areas for communication), the condition of the route (under maintenance, holes, without asphalt), weather conditions (such as fog, fire, rain) and surface waters (rivers, creeks, lakes). Evidenced that Ceslog performs the process of updating of used dangerous products transport routes. All drivers receive the pertinent Rotogram for the dangerous product transportation before each transportation. Ceslog is committed to implement a procedure to evaluate the risks of selected cyanide transport routes and take the measures necessary to manage these risks. Evidenced that Ceslog defined, documented, implemented and maintained internal documented procedure POP.C.04 – “Elaboração, atualização e disponibilização de Rotograma” to evaluate the risks of selected routes. Ceslog identified and evaluated the risks related to the routes used for transporting dangerous products as required by procedure POP.C.04. Records showing that: population density along the route, the infrastructure (asphalt, double or single speedway, gas stations, police stations, emergency stations, communication, shadow areas for communication), the condition of the route (under maintenance, holes, without asphalt), weather conditions (such as fog, fire, rain) and surface waters (rivers, creeks, lakes), fog formation trend, number and length of bridges, saw snippets, amount and scope of dangerous curves, ease or difficulty to meet in an emergency were evidenced. The risks are evaluated and classified as defined in same documented procedure POP.C.04 in item 6.3. Ceslog implemented operational control by an automatic control named Onix Sat such as speed limit, driver qualification and training, truck maintenance, pre-traveling brief with the driver, planned transport observations, full time monitoring of the truck from a remote station performed by Brasil Risk and limited traveling time in order to mitigate the risks related to the transport through logistic monitoring.



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Ceslog is committed to implement a process and procedure to periodically reevaluate routes used for cyanide deliveries and it has a process for getting feedback on route condition from the transporter's operators. Evidenced that Ceslog constantly evaluates the condition of the used routes for dangerous products transportation. Evidenced that in all dangerous products transportation the drivers give documented feedback about the conditions of used routes after each travel through the pertinent check list. Identified as "Feedback de retorno de viagem" Evidenced check list duly implemented.

Ceslog is committed to document the measures taken to address risks identified with the selected routes Evidenced a travel plan that identifies all existing risks at the routes used for transportation of dangerous products.

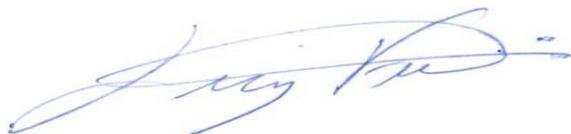
Ceslog is committed to seek input from communities, other stakeholders and applicable governmental agencies as necessary in the selection of routes and development of risk management measures. Ceslog contacts the Brazilian Federal Road Policy, the tracking contractor (named Onix Sat), the contractor risk management system (named Brasil Risk) the roads administration contacts (named CCR Nova Dutra and Ecovias) in order to define the best route and avoid potential problems along the selected route.

Ceslog uses escorts previously evaluated, selected and qualified when contract review indicates that this should be a control during the transport (safety and security) as defined in internal documented procedure POP.C.01 – "Contract review of proposal".

Ceslog is committed to advise external responders, medical facilities and communities of their roles and/or mutual aid during an emergency response. Ceslog has a methodology to communicate the Brazilian Federal Road Policy, the road administration authorities (CCR Nova Dutra and Ecovias), the insurance company (Sampa Seguros) and the emergency responders (Suatrans) their roles in an emergency involving the dangerous products transportation.

Evidenced that Ceslog subcontracts dangerous chemical transport companies and that Ceslog is committed to implement a procedure to ensure its subcontractors meet all applicable requirements of Cyanide Code including elements 1 thru 7 of the Transport Practice 1.1. Evidenced that Ceslog defined, implemented and maintained internal documented procedure POP.A.01 "Contratação e critérios para serviços de Transporte Rodoviários (the contracted are named as "aggregated"

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.



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

Summarize the basis for this Finding/Deficiencies Identified:

Ceslog is committed to use only trained, qualified and licensed (where required) operators for transporting dangerous products.. Verified that Ceslog only uses trained and licensed drivers as required by the applicable Brazilian legislation for the road transport of dangerous products. Evidenced that all drivers have required permits such as “CNH - Carteira Nacional de Habilitação” (professional driver permit) and special license named MOPP– Movimentação Operacional de Produtos Perigosos” which professional drivers must have in order to transport dangerous products as stated by Brazilian regulations. Evidenced duly implemented.

Ceslog established health requirements to the drivers, psychological evaluation, education requirements experience, training in defensive driving and provides annual refresh training, including first aid. The occupational health certificate named ASO (occupational health certificate) were reviewed and found that are duly established.

Ceslog is committed to train all personnel operating cyanide handling and transport equipment to perform their jobs in a manner that minimizes the potential for cyanide releases and exposures. Interviewed personnel showed to be aware of cyanide characteristics

Evidenced training plans for drivers and others functions about cyanide. Evidenced that is clearly documented in internal procedure POP.RH.03.07 “Treinamento e desenvolvimento de pessoal” which defines all steps in order having an efficient management cyanide training. Evidenced that cyanide trainings have been performed to all pertinent personnel. Sampled examples were: Safety dialogue – before each travel for cyanide transportation; Cyanide properties and travel guidance – each six months; Emergency Simulation Drill every six months, year; Protective Personnel Equipment – PPE – each travel; Emergency kit – each travel; Training in procedure POP.RH.03.07 each six months. Evidenced records of training duly implemented

Evidenced that Ceslog subcontracts dangerous chemical transport companies and that Ceslog is committed to implement a procedure to ensure its subcontractors meet all applicable requirements of Cyanide Code including elements 1, 2 and 3 of this Transport Practice 1.2.

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



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The operation is in full compliance with
 in substantial compliance with Transport Practice 1.3
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Ceslog is committed only to use equipment designed and maintained to operate within the loads it will be handling. Evidenced that Ceslog uses appropriate equipment to transport dangerous products.

Ceslog is committed to implement procedures to verify the adequacy of the equipment for the load it must bear. Evidenced that Ceslog established internal documented procedure POP.M02.10 – “Manutenção de veículos, equipamentos, isotanks, containers, carretas e cavalos mecânicos” which defines the methodology for preventive and corrective maintenance. Evidenced that Ceslog implemented preventive maintenance as required.

Ceslog defined and implemented a methodology in which before loading the cargo container, the driver reviews the transportation documentation in order to verify the cargo weight and confirm that the truck is capable to transport. According to Brazilian transport legislation there is a maximum load capacity allowed per truck to transit in the roads. There are control points along the route to verify the cargo weight (weight stations) and to review the cargo documentation. Control points along the roads issue a weight record that is brought to the company with the transport documentation. Driver Manual establishes that all drivers shall verify the adequacy of load capacity in order to prevent overloading of the transport vehicle.

Ceslog subcontracts dangerous chemical transport companies and that Ceslog is committed to implement a procedure to ensure its subcontractors meet all applicable requirements of Cyanide Code including elements 1, 2 and 3 of this Transport Practice 1.3

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

The operation is in full compliance with
 in substantial compliance with Transport Practice 1.4
 not in compliance with



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Summarize the basis for this Finding/Deficiencies Identified:

Ceslog is committed to implement procedures to ensure that the cyanide is transported in a manner that maintains the integrity of the producer's packaging. Ceslog defined procedure POP.I.01 "Inspeção de entrada e saída de Conjuntos rodoviários which clearly defines entrance and exit inspections. Interviewed personnel showed to be aware of requirements to maintain the integrity of the cyanide producer's packaging. It is defined the used of an appropriate form identified as F.012.03 and named as "Registro de inspeção de entrada e saída de veículos" which shall be issued each travel for all kinds of products (both dangerous and non-dangerous products) Evidenced duly implemented:

Ceslog defined and documented the Operational Driver's Manual which all drivers must keep with them during all transportation of dangerous products. Evidenced that item 4.4 of Operational Driver's Manual establishes the identification of the product being transported. It is clearly identified the use of placards and others signage in accordance Brazilian legislation of road dangerous products transport The truck shall have, in four sides, standard placards indicating the nature of the chemical product being transported. Besides, Ceslog established internal documented procedure identified as POP.I.01 Inspeção de entrada e saída de Conjuntos rodoviários which defines that the presence of such placards shall be verified before each travel. The pertinente inspection results are recorded in a specific check list, named "Registro de inspeção de entrada e saída de veículos".

Evidenced the above mentioned check list duly established and maintained as stated Ceslog is committed to implement a safety program for cyanide transport that includes vehicle inspections prior to each departure/shipment Ceslog defined and documented a vehicle inspection program of the truck before each journey, including the inspection of the truck, the inspection of the emergency resources, the inspection of the communication and tracking system, the inspection of the tachographs, the inspections of the PPE- personnel protective equipment, the verification of the driver and cargo documentation. Evidenced vehicle inspections records prior to each departure/shipment duly implemented.

Evidenced that Ceslog is committed to implement a safety program for cyanide transport that includes a preventive maintenance program. Verified that Ceslog defined and implemented an effective preventive maintenance program for all trucks and platforms in accordance with trucks manufacturer. ts. Qualified dealers perform the preventive maintenance Evidenced that Ceslog is committed to implement a safety program for cyanide transport that includes limitations on operator or drivers' hours. Ceslog established, implemented and maintained and implemented internal documented procedures such as POP.A.01 as well as Item 5 of Operational Driver's manual and which require limitations on operator or drivers' hours in accordance Brazilian regulations. The working hours are controlled through the remote tracking station named Onix Sat program Enterprise which has several certifications. Evidenced that Ceslog is committed to implement a safety program for cyanide transport that includes procedures to prevent loads from shifting.



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Evidenced that the truck/ platform is specifically designed to transport containers and it has pin lockers that are inspected by the driver before each journey, and prevent the containers from shifting.

Evidenced inspection records duly maintained. Evidenced that Ceslog is committed to implement a safety program for cyanide transport that includes procedures by which transportation can be modified or suspended if conditions such as severe weather or civil unrest are encountered. Evidenced that Ceslog defined in safety policies as well as the item 5 of the Operation Driver's Manual, that in the event of stormy or hard rain, wind conditions, ice rain, the transport activity shall be stopped or even not allowed to begin.. Evidenced that Ceslog is committed to implement a safety program for cyanide transport that includes a drug abuse prevention program. Noted that Ceslog designed and implement a drug & alcohol policy approved by Operational Manager. Evidenced that Ceslog is committed to implement a safety program for cyanide transport that includes retention of records documenting that the above activities have been conducted. Ceslog defined and implemented a process to manage all records related to its activities. All requested records were promptly retrievable and are adequately maintained by the operation. Ceslog subcontracts dangerous chemical transport companies and that Ceslog is committed to implement a procedure to ensure its subcontractors meet all applicable requirements of Cyanide Code including elements 1, 2 and 3 of this Transport Practice .4

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

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

Summarize the basis for this Finding/Deficiencies Identified:

This transport practice is not applicable to the operation scope. The operation scope is road transportation.

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

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



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Summarize the basis for this Finding/Deficiencies Identified: (Due to the sensitivity of security issues regarding storage of cyanide, no descriptions of substantial or non-compliance with this aspect of the Transport Practice should be provided).

Ceslog is committed to equip vehicles with means with means to communicate with the transport company, the mining operation, the cyanide producer or distributor and/or emergency responders. Evidenced that the transport vehicle is provided with tracking systems (on board computer), using GPS signal (supplied and managed by Onix Sat which has several certifications such as Anatel and CESVI – “Centro de xperimentação e Segurança Viária”. Evidenced properly implemented. Ceslog is committed to Ceslog is committed to implement systems or procedures to track the progress of cyanide shipments equipment, to ensure the equipment functions properly. Ceslog is committed to identify communication blackout areas along its transport routes and implement special procedures for these areas as required by operational procedures. The communication system (cell phone and GPS) is tested before each travel, and periodically checked during the trip. Evidenced duly implemented. Ceslog is committed to implement inventory controls and/or chain of custody documentation to prevent loss of cyanide during shipment. Evidenced that Ceslog defined and implemented a chain of custody records management, according to the Brazilian law. The documentation is verified prior the transportation and before the unloading at final operation. Ceslog is committed to provide shipping records indicating the amount of cyanide in transit and Material Safety Data Sheets with cyanide shipments. Noted that Ceslog clearly identifies the amount of dangerous products being transported and the product MSDS is part of this documentation. All FISPQ are available in the Ceslog’s intranet. Evidenced duly implemented. Ceslog subcontracts dangerous chemical transport companies and that Ceslog is committed to implement a procedure to ensure its subcontractors meet all applicable requirements of Cyanide Code including elements 1 thru 6 of this Transport Practice 1.6.

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

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

This principle is not applicable to the operation scope because the dangerous products is transported straight from the entrance Port to its final destination. During the transport, the truck is monitored 100% of the time and stops, at night, only allowed at pre-evaluated and approved stations along the route. The tracking system also blocks (remote turn-off) the truck engine if something different from the planned script (travel plan) occurs. Verified the track system records as well as the tachographs records.

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

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

The operation is in full compliance with
 in substantial compliance with Transport Practice 3.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Ceslog is committed to develop and implement an Emergency Response Plan. Evidenced that Ceslog has an Emergency Response Plan named PAE Ceslog – Plano de Atendimento a Emergencia, identified as PLSS03.revison 23. Noted that this actual revision incorporates an Annex 01 which is specific for cyanide which includes: Cyanide characteristics; Cyanide Transportation informations; Rotograms; First aid measures; PPE – Personnel Protection Equipment; First aid kits (containing for instance: Oxygen, and antidotes (3% solution of sodium nitrite, 30% solution of sodium nitrite, 10% solution of sodium thiosulphate, 25% solution of sodium thiosulphate and 1% solution of methylene blue); Informations for health area; Informations for Safety area; Responsibilities (driver, Ceslog Emergency Team, Suatrans Emergency Team).



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Additionally evidenced a second Emergency Plan which was issued by Suatrans which is a specialized in emergency response involving hazardous chemicals, Suatrans acts in accordance with the Ceslog Emergency Action Plans that guide the overall performance of their teams, all of them highly trained, acting with the support of specially developed equipment to perform the best possible care expertise company related to with Emergency Responders for Dangerous Products. This second Emergency Plan is named Suatrans Plano de Atendimento Emergencial para o Transporte Nacional de Produtos Perigosos”.

Ceslog is committed to develop a plan appropriate for the selected transportation route. Ceslog developed as already mentioned. Emergency Response Plans for the specific circumstances for the used route to transport chemicals dangerous products. The risks associated to the used routes were identified and evaluated as already mentioned and the emergency response plans are focused on the identified and evaluated risks, as well as they consider the available infrastructure and resources available in the used routes. Ceslog does not intend to use interim storage facility. Ceslog is committed that the Emergency Plan considers the physical and chemical form of the cyanide. Evidenced that documented procedure Emergency Response Plan PAE – Plano de Atendimento a Emergencia, identified as PLSS03.revison 23 which is an Emergency Response Plan that considers the physical and chemical form of the cyanide. Interviewed personnel showed to be aware about solid and liquid properties of cyanide.

Ceslog is committed that the plan will consider the method of transport (e.g., rail, truck) or storage.[

Ceslog is committed that the plan will consider all aspects of the transport infrastructure (e.g., condition of the road, railway, and port). The internal documented procedures Emergency Response Plan PAE – Plano de Atendimento a Emergencia, identified as PLSS03.revison 23 consider the specific conditions of the used routes. Evidenced the risk analysis performed for the used routes related to transportation of chemical dangerous products.

Ceslog is committed that the Emergency Plan considers the physical and chemical form of the cyanide. Evidenced that documented procedure Emergency Response Plan PAE – Plano de Atendimento a Emergencia, identified as PLSS03.revison 23 which is an Emergency Response Plan that considers the physical and chemical form of the cyanide. Interviewed personnel showed to be aware about solid and liquid properties of cyanide.

Ceslog is committed that the plan will consider the method of transport (e.g., rail, truck) or storage. Evidenced that the internal documented procedure Emergency Response Plan PAE – Plano de Atendimento a Emergencia, identified as PLSS03.revison 23 which is an Emergency Response Plan that is specific for the road transportation of cyanide by truck. (flat platform truck, with pin lockers, specifically designed to transport metallic sea containers).

Ceslog is committed that the plan will consider all aspects of the transport infrastructure (e.g., condition of the road, railway, and port).



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The internal documented procedures Emergency Response Plan PAE – Plano de Atendimento a Emergencia, identified as PLSS03.revision 23 consider the specific conditions of the used routes. Evidenced the risk analysis performed for the used routes related to transportation of chemical dangerous products. Ceslog is committed that the plan will consider the design of the transport vehicle (e.g., single or double walled, top or bottom unloading) or storage facility.

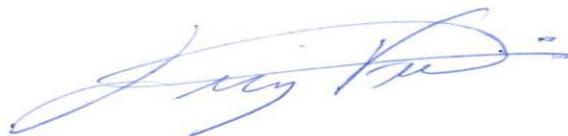
Ceslog is committed that the plan will include descriptions of response actions, as appropriate for the anticipated emergency. Evidenced the internal documented procedure SS03.revision 23 describes the specific response actions that shall be applied to each emergency, such as accident with fire, fall into a river, cyanide leakage on a rainy day, among other potential emergency scenarios. Ceslog is committed that the plan will identify the roles of outside responders, medical facilities or communities in emergency response procedures. Reviewed emergency plans describe the roles of several stakeholders (internal/ external) that should be involved in the emergency response, such as road police, emergency responders and rescuers, first aid stations along the route, reference hospitals, and environmental authorities.

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

The operation is in full compliance with
 in substantial compliance with Transport Practice 3.2
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Ceslog is committed to provide emergency response training of appropriate personnel. Ceslog has its own Emergency Response Team composed by six emergency experts. Evidenced that all of above mentioned team has been made training in emergency situations including with cyanide. Records of training were evidenced as stated. Ceslog is committed to include in the plan a list of all emergency response equipment that should be available during transport or along the transportation route. Evidenced that Ceslog PAE PLSS.03 revision 23 includes in Annex 1 item 1.4A, a list of all emergency response equipment that should be available during transport or along the transportation route. Emergency related materials are listed in a document available during transport or along the transportation route named "Operational Driver's Manual". Ceslog is committed to have available the necessary emergency response and health and safety equipment, including personal protective equipment during transport. Evidenced that



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Ceslog has the necessary emergency response as well as health and safety equipment, including personal protective equipment during transport. Evidenced the List of PPE and Emergency kit, which are clearly described at Annex I of Ceslog PAE PLSS 03 revision 23. Interviewed personnel showed to be aware of the necessary emergency response and health and safety equipment, including personal protective equipment during transport. Ceslog is committed to ensure that transport vehicle operators receive initial and periodic refresher training in emergency response procedures including implementation of the Emergency Response Plan. Ceslog provided initial and refresh training, related to cyanide Emergency Response Plan as previously mentioned. Interviewed personnel showed to be aware of cyanide Emergency Response Plan. Ceslog is committed to implement procedures to inspect emergency response equipment and assure its availability when required. Evidenced that Ceslog defined a very complete check list named Check list de inspeção de equipamentos SOS identified by the code F.060.00 "The emergency kit used to transport dangerous products is inspected before each transportation of dangerous products. Ceslog is committed to include in the plan descriptions of the specific emergency response duties and responsibilities of personnel. Evidenced that Ceslog PAE named PLSS03 revision 23 includes descriptions of the specific emergency response duties and responsibilities of personnel. Interviewed personnel showed to be aware of the specific emergency response duties and responsibilities of personnel related to cyanide.

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

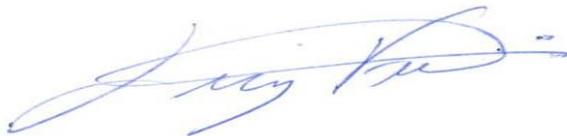
The operation is in full compliance with
 in substantial compliance with Transport Practice 3.3
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Ceslog is committed to develop procedures and current contact information for notifying the shipper, the receiver/consignee, regulatory agencies, outside response providers, medical facilities and potentially affected communities of an emergency. Ceslog defined methodology for notification of appropriate parties/ stakeholders in the event of a cyanide release or exposure during transport. The entities requiring notification are clearly identified. Ceslog defined how information is kept updated.

Ceslog is committed to implement systems to ensure that internal and external emergency notification and reporting procedures are kept current. Evidenced that Ceslog PAE Ceslog

PLSS03 revision 23 clearly establishes methodology for internal and external emergency notification and reporting procedures.



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SUMMARY AUDIT REPORT

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

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

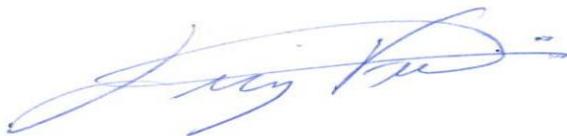
Summarize the basis for this Finding/Deficiencies Identified:

Ceslog is committed to implement procedures for remediation, such as recovery or neutralization of solutions or solids, decontamination of soils or other contaminated media and management and/or disposal of spill clean-up debris. Evidenced that PLSS03 revision 23 defines the remediation procedures that shall be applied in the event of cyanide related emergencies. Evidenced that the methodology defined is in accordance with Cyanide Code.

Ceslog is committed that its procedures will prohibit the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water. Evidenced that item 6 of Ceslog PAE PLSS03 revision 23 clearly defines that chemical products, such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide, are prohibited to be used in the event of solid cyanide releases in surface waters along the route.

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

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



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Summarize the basis for this Finding/Deficiencies Identified:

Ceslog is committed to include in the plan provisions for periodically reviewing and evaluating the Plan's adequacy and they are being implemented. The current revision status of Emergency Plan PLSS03 is version 23, and the frequency for reviews and revise (if necessary) is annual in the minimum both Suatrans PAE as well as Ceslog PAE PLSS03. Ceslog defined an internal documented procedure PSS03.05 – "Mock emergency drill" including both internal and external situations of emergencies. Evidenced that simulation activities related to their emergency plans include, when appropriated, one specific exercise in conjunction with the emergency responder expert, SUATRANS. Evidenced that Ceslog conducted mock emergency drills.

Ceslog is committed to include in the plan provisions for periodically conducting mock emergency drills and they are being implemented.

Ceslog is committed to include in the plan a procedure to evaluate the Plan's performance after its implementation and revise it as needed, and they have been implemented.

Evidenced that the drills was properly performed in accordance the previously planning. The recorded conclusions provided evidences that in the present moment it is not necessary to revise neither Suatrans Plan nor PLSS03 revision 23

