International Cyanide Management Code

Re-Certification Audit of:

The Chemours Company Chile Cyanide Supply Chain
Sodium Cyanide Transportation Operations

Summary Audit Report

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

2016 Audit Cycle
The Chemours Company Chile
Sodium Cyanide Consignor Summary

Company Names & Contact Information

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Chemours Supply Chain Overview

The Consignor for the Chemours Chile Supply Chain (Chemours Chile) is The Chemours Company Chile operation headquartered in Santiago, Chile, South America. Chemours (formerly DuPont) was one of the original 14 International Cyanide Management Code (ICMC) signatory companies announced in 2005. As such, Chemours made the commitment to obtain ICMC certification for its global operations and supply chains. Chemours was the first cyanide producer in the world to achieve certification in June 2006 and the operation was re-certified in 2009 and in 2012. Chemours produces sodium cyanide for use in the gold mining sector at their Memphis, Tennessee plant in the United States. The company maintains several cyanide distribution terminals and delivers cyanide to mining customers throughout the world. Cyanide that is distributed through the Chile Supply Chain is brought into Chile from Memphis. The sodium cyanide that is sold to gold mining customers is packaged in 1 ton bag-boxes.
Cyanide is transported to Chile by ship and is delivered by the cargo company one of several ports in South America that are certified through the Chemours ICMC Global Ocean Supply Chain certification. Ship unloading operations are performed by the Port Authority, which releases the container by placing it on a truck’s platform. At this point, the cyanide becomes responsibility of Chemours. Transport within Chile including ports of entry and transport to customer mine sites by Transportes Verasay Ltd. Currently, the cyanide is transported directly to the mine, without the use of secondary storage facilities. The transport routes operated from Chile’s Ports to the mines are from 163 to 1,232 km long; the preferred ports are those that represent the shortest route from one port to the mine.

The Chile Supply Chain scope does not include the ocean transport or the ports. This audit includes the land transportation of the product from ports in the region to the mines. This supply chain was first certified under the Cyanide Code principles in 2010, re-certified in 2013, and was evaluated again during this audit at the end of 2016.

Chemours maintains a separate ICMC certification for its Global Ocean Supply Chain which includes several Latin America ports. Chemours performs a due diligence review of each port, including those in Chile to ensure that acceptable safety measures for the handling of cyanide and emergency response are in place (see Chemours Global Ocean Supply Chain report for details).

Cyanide is packaged by Chemours in a poly propylene super-sack filled up to 1 ton. The super-sack is then placed in a polyethylene bag to protect the material from water and humidity; finally, the packaged material is placed in a wooden box (package type I). No less than 20 boxes are placed in standard 20-feet shipping containers (the containers); the exact number of boxes is to prevent lateral movement of the boxes within the container. To further prevent movement a block and brace is applied consisting of placing wood beams between the last box and the container’s door. Prior to shipping, the manufacturer seals the container with a tag with serial number at the production facility to prevent material losses. These seals are only removed at the mine.

Chemours subcontracts Transportes Verasay (Verasay) to transport sodium cyanide in the region. Chemours provides training to Verasay’s drivers and convoy leaders, approves the crew used for each transport operation, and audits Verasay on an annual basis to ensure compliance with their procedures. Additionally, Chemours has trained Verasay’s Cyanide Transport Coordinator and convoy leaders to train the operators and to assess the routes to ensure these activities are performed even if Chemours personnel are not readily available. Verasay has its own system to comply with the code and the training received from Chemours is redundant with the provided in house. Verasay was first certified in full compliance with the Cyanide Code in 2010, then re-certified in 2013 and per their last recertification report, the company will be recertified as soon as its audit documents are finalized.
Audit Implementation and Conclusions

The audit was conducted through a review of procedures and records, and interviews with the Chemours Country Leader Chile – Sales & Product Stewardship Manager Cyanides South America and the trucking company personnel (concurrently with the Verasay ICMC audit). The auditor used the ICMI Cyanide Transportation Protocol to evaluate The Chemours Chile Supply Chain compliance.

The audit was based on a sampling of information and therefore deficiencies may exist which have not been identified. The audit was performed by an independent third-party auditor who was pre-approved by the ICMI as a Lead Auditor for all types of International Cyanide Management Code (ICMC) audits and as a technical expert for ICMC audits of cyanide transportation, production plants and mining operations. All supply chain components noted above were included in this ICMC Certification Audit. Each organization noted in this report was found to be in FULL COMPLIANCE with ICMC requirements.

This supply chain was found to be in FULL COMPLIANCE with the International Cyanide Management Code.
Auditor’s Finding

The cyanide management practices for Chemours Chile Supply Chain were evaluated for ICMC compliance using the ICMI Cyanide Transportation Verification Protocol. Chemours Chile internal standards, policies, practices, and procedures regarding the transportation of cyanide were reviewed.

The auditor found that the overall level of preparedness and understanding of ICMI Cyanide Code requirements was excellent. Management systems upon which the operation is based were found to be very mature and personnel demonstrated excellent operational discipline.

This operation has not experienced any cyanide incidents or compliance problems during the previous three-year audit cycle.

The results of this operational certification audit demonstrate that Chemours Chile Supply Chain is in FULL COMPLIANCE with International Cyanide Management Code operational requirements.

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<th>Audit Company:</th>
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<td>Date(s) of Audit:</td>
<td>December 20 - 22, 2016</td>
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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 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.

The Chemours Company Chile Supply Chain

Name of Operation

Signature of Lead Auditor

Date
Chemours Chile Supply Chain Certification Audit Results

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.

- ✔ in full compliance with
- □ in substantial compliance with Transport Practice 1.1
- □ not in compliance with

Summarize the basis for this Finding:

Chemours Chile as the cyanide Consignor, requires that Transportes Verasay (Verasay) implement route selection procedures for routes that minimizes the potential for accidents and releases and the potential impacts of accidents and releases. Chemours Chile together with transporter Verasay, uses a documented route selection process that considers population density, infrastructure, pitch & grade, proximity to water bodies, and the prevalence and likelihood of poor weather and resulting poor driving conditions. Chemours Chile and Verasay work together with customers to determine the safest and best route for transport.

Chemours Chile policies and procedures require that the transportation company must have a process to evaluate the risks of selected cyanide transport routes and take the measures necessary to manage these risks. Risk mitigation measures have been taken in the development and implementation of an improved tracking process, the revision of the Emergency Response Procedures, and the coordination of additional emergency response resources to accompany shipments to mine sites.

Chemours Chile solicits feedback regarding the routes and other supply chain topics from its transportation partner every year as part of its partner re-evaluation process. Recurring route evaluations are performed by the trucking company and were last reviewed in December 2016.

Chemours Chile documents the measures taken to address risks identified with the selected routes. Chemours Chile maintains records of transportation routes and associated risks and mitigation measure deployed.
During the ICMC re-certification audit to Chemours Chile, confirmation was made that the Consignor has engaged its local community and emergency response centers and advised local agencies effectively. Records of how communities are involved in the route planning process were available for review.

Verasay transporter travels in convoy with escort and ensures that its own personnel accompany all shipments in Chile. This is done to ensure the safe and secure transportation of the materials. Chemours Chile with Verasay advises local external responders, medical facilities and communities of their roles and/or mutual aid during an emergency response. This was confirmed during the Chemours Chile Supply Chain re-certification audit in 2014 and was confirmed again during this audit.

Chemours uses formal policies, procedures, and contracts with safety, health, environmental, and security terms and conditions to ensure that cyanide is appropriately handled and transported by its transportation partners. Only ICMC-certified transportation companies are used to transport cyanide and sub-contracting of the cyanide transport activities to other companies is not allowed.

Transport Practice 1.2: Ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

☑ in full compliance with

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

Summarize the basis for this Finding:

Chemours Chile only uses trained, qualified and licensed operators to transport its products and performs periodically evaluations to ensure that its transporter Verasay, operate per recognized EHS standards and are experienced in the handling of hazardous goods.

Information and records were available during this audit and the audit of Verasay to confirm that Chemours Chile ensures that its transporter Verasay provides cyanide training to its personnel, uses appropriate equipment that is in good operating condition, and that all necessary personnel are experienced in the handling of hazardous goods. This is done to ensure that the potential for cyanide releases and exposures is minimized.
Only ICMC-certified transportation companies are used to transport cyanide and sub-contracting of the cyanide transport activities to other companies is not allowed.

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

- [ ] in full compliance with
- [ ] in substantial compliance with
- [ ] not in compliance with

**Summarize the basis for this Finding:**

Chemours Chile only uses a supply chain partner with equipment designed and maintained to operate within the loads it is transporting. Chemours Chile performs periodically evaluations to ensure that its operates per recognized EHS standards and are experienced in the handling of hazardous goods. Verasay trucking company performs regularly inspections and preventive maintenance to its vehicles to ensure that the equipment is safe to operate and that it can continue to carry the loads for which is it designated.

Per interviews with Chemours Chile personnel, the shipments are of standard weights. The Chemours Company ICMC-certified producer is responsible for blocking and bracing of the shipments leaving the plant. The cargo is sealed when it is packed into the sea containers. The sea containers are not opened until they arrive to the mine site. Personnel use formal procedures and checklists to ensure that trailers are loaded evenly and that the trailer is not overloaded.

Only ICMC-certified transportation companies are used to transport cyanide and sub-contracting of the cyanide transport activities to other companies is not allowed.

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

- [ ] in full compliance with
- [ ] in substantial compliance with
- [ ] not in compliance with

**Summarize the basis for this Finding:**

Chemours Chile ensures that cyanide is transported in a manner that maintains the integrity of its packaging. The trucking company involved in this supply chain has established a safe method for
transportation which describe the administrative, operational and safety measures for the proper transportation of sodium cyanide and found to be compliant with this requirement during their ICMC certification audits.

According to interviews, Chemours confirms that cyanide shipping containers have the necessary placards upon shipment from the production facility in Memphis and Verasay confirms that the necessary placards are still in place prior to transport. Cyanide intermodal containers are transported with placards and signage to identify the shipment as cyanide and informing of toxic chemical presence. Appropriate placards showing UN 1689 (solid cyanide) are displayed on all four sides of the sea containers.

Chemours Chile is not directly responsible for pre-trip inspections of any vehicles. It does, however, require that transporters follow ICMC requirements, including the need for pre-trip inspections.

Chemours Chile require that transporters follow ICMC requirements, including the need for a formal preventive maintenance program. The maintenance records were reviewed and the practice was confirmed during interview with the H&S Supervisors.

Verasay safety program includes limitations on drivers’ hours in accordance with local regulations and states that drivers transporting cyanide only drive during day light hours. Operators are limited in the length of time that they can drive. Required rest periods are also defined. Breaks are at pre-selected stop points where the risk has been assessed and ranked as low.

According to interviews, Chemours personnel at the production plant in Memphis use formal procedures and checklists to ensure that shipping containers are loaded evenly and that the equipment is not overloaded. Chemours personnel, use standard instructions to ensure proper loading and blocking and bracing of vehicles and containers. Verasay secures the loads to prevent loads from shifting.

Chemours Chile procedures require the transporter has an established a safe method for transportation which describe the administrative, operational and safety measures to suspend the trips. According to the interview with the Verasay H&S Supervisor, the convoy leader is authorized to suspend a delivery, as necessary, in the event that driving conditions or civil unrest are considered to be unsafe.

The Chemours Chile policies and procedures require that the transportation company must have a drug abuse prevention program. Verasay performs alcohol test to each driver prior to the departure of every cyanide shipment. The auditor reviewed several alcohol testing registers during the Verasay audit for the re-certification audit period to confirm this practice.
Records are maintained by either Chemours or Verasay to demonstrate conformance with all Transport Practice 1.4 requirements. This was confirmed during the audit. Verasay, the transporter of this supply chain, maintains records with details of route incidents, sensitive areas found and relevant information. Verasay keeps records originated from inspections, preventive maintenance, driver’s instruction and transportation among others.

Only ICMC-certified transportation companies are used to transport cyanide and sub-contracting of the cyanide transport activities to other companies is not allowed.

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

✔️ in full compliance with

The operation is  
☐ in substantial compliance with  
☐ not in compliance with  

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

✔️ in full compliance with

The operation is  
☐ in substantial compliance with  
☐ not in compliance with  

**Summarize the basis for this Finding:**

Chemours Chile supply chain does not ship cyanide by sea or by air. This section of the ICMC does not apply to the operation.

Cyanide shipments are tracked using a GPS tracking system that is monitored by Verasay with reporting done periodically to Chemours Chile. Drivers communicate the status of the shipment regularly and have primary and back-up communication equipment.

The communication and tracking equipment is properly maintained. The equipment is part of the pre-trip inspections and is maintained along with the formal preventive maintenance program for
each truck. There are no areas in which the satellite communication equipment used by the convoy during the transport is without signal.

Both Chemours and Verasay track the progress of shipments. Verasay sends information to Chemours Chile regarding the shipment location using the GPS tracking system, which allows continuous monitoring of the location of the convoy. Personnel responsible for tracking the shipment status from Chemours Chile and Verasay were interviewed, the GPS system was demonstrated, and logs showing that shipment status was being recorded were reviewed and were found to be complete.

A transport document (like a bill of lading) issued by the cyanide provider is carried by each driver and a copy is carried by the convoy leader. The transport document includes the number of the containers and weight. The mine receipt stamps the transport document which is used for invoicing.

The amount of cyanide carried is indicated in the transport document which, along with the Safety Data Sheet (SDS) and the emergency response information, are carried by each driver. The drivers have an on-board file that includes copies of his/her training, licenses, and the cyanide SDS.

Only ICMC-certified transportation companies are used to transport cyanide and sub-contracting of the cyanide transport activities to other companies is not allowed.
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.

☑ in full compliance with

☐ in substantial compliance with Transport Practice 2.1

☐ not in compliance with

Summarize the basis for this Finding:

Chemours Chile does not have any interim storage responsibilities. Additionally, no trucks containing cyanide can be stored at the terminal.

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.

☑ in full compliance with

☐ in substantial compliance with Transport Practice 3.1

☐ not in compliance with

Summarize the basis for this Finding:

Chemours Chile as the cyanide consigner, has an Emergency Response Plan (ERP) that addresses all the Code requirements for the transportation of cyanide and requires the transporter have a coordinated ERP implemented against potential accidents and releases. The Chemours Chile and Verasay ERPs were reviewed and personnel from both companies interviewed. Leadership understanding of Consignor ICMC responsibilities was excellent.

Chemours Chile and Verasay ERPs are appropriate for the selected transportation route and include information specific to responding to emergencies within the supply chain.

Both ERPs consider solid cyanide, the only form of cyanide transported. The more detailed information regarding the chemical form of the solid cyanide is on the material data safety sheets (MSDS) kept in the trucks always.
Both ERPs consider the only mode of transportation by truck. All emergency scenarios that appear in the ERPs are related to ground transportation of cyanide.

The differences in infrastructure for the defined routes are addressed in the ERPs. As there are not multiple modes of transportation, the different road types such as highway, public, private, and rugged mine site were considered.

The ERPs does not specifically mention the design of the transport vehicle. The emergency response actions outlined in the ERPs are primarily notification actions. Professional emergency responders together with technical guidance from Chemours would be responsible for addressing issues involving the way in which the structure of the container should be managed after an emergency.

The role of the driver is described in the Verasay ERP. The driver is responsible for securing the scene and making necessary notifications. Verasay is responsible for directing emergency responders in coordination with Chemours Chile. The role of this external partner is clearly stated in the ERP.

Both ERPs identify the roles of outside responders, medical facilities and communities along the transportation route. Combined emergency response drills are held with mine sites, local emergency responders, and Chemours personnel to ensure that all parties understand their roles and responsibilities in the event of an incident or accident.

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

☑ in full compliance with

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

Summarize the basis for this Finding:

Training on the emergency response plan is given periodically to all Verasay employees related to cyanide management, including drivers and the convoy leader. Records were reviewed during the Verasay audit for the re-certification period and were found to be acceptable.

Both Chemours Chile and Verasay describe in their ERP the emergency response duties and responsibilities of the participants in this supply chain. The roles and responsibilities of relevant
internal and external personnel are clearly described, as well as the roles and responsibilities of the Emergency Response Team.

Chemours Chile ensures through contractual terms and periodic review that the emergency response equipment maintained by its partners in the supply chain is available always. Verasay has defined the materials required for emergency response during transportation along the route including spill response equipment in the ERP.

Verasay drivers receive an appropriate level of training to enable them to fulfill their role in emergency response, which is limited to notification. Formal training in cyanide is given periodically.

The Verasay ERP defines what equipment must be available in the convoy leader vehicle and extra personal protective equipment in the trucks. The convoy leader transports a box with all the emergency equipment listed. The contents of the emergency equipment box are listed on a checklist. The box contents are checked prior to each cyanide delivery. Antidotes including calcium carbonate, sodium hypochlorite, amyl nitrite ampoules are part of the emergency response kit. A procedure is used to inspect emergency equipment boxes on a regular basis when trucks are brought in for maintenance and inspections. The availability and completeness of the material was confirmed during the audit.

Only ICMC-certified transportation companies are used to transport cyanide and sub-contracting of the cyanide transport activities to other companies is not allowed.

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

☑ in full compliance with
☐ in substantial compliance with  Transport Practice 3.3
☐ not in compliance with

Summarize the basis for this Finding:

Both Chemours Chile and the transporter Verasay, have developed procedures and maintains current contact information for notifying regulatory agencies, outside response providers, medical facilities and potentially affected communities of an emergency.

The ERPs are reviewed and tested (by means of a drill and/or table top exercise) once each year. During this activity, the phone numbers are checked for accuracy.

The Chemours Chile Supply Chain  January 12, 2017
Name of Operation  Lead Auditor  Date

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

☑ 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:

Specific details regarding the remediation, neutralization, decontamination, and disposal of cleanup debris are contained within Chemours Chile and supply chain Verasay’s emergency response procedures. Both company’s ERPs, address the requirement that none of the chemicals such as sodium hypochlorite, ferrous sulfate, or hydrogen peroxide” be used to treat a release to surface water.

Verasay has its emergency brigade plus the external contracted services of Suatrans for emergency care and remediation company. (www.suatrans.cl). There is a contract between both companies with monthly payment. The plan addresses exposure scenarios such as transportation incidents, spills, and exposure to cyanide (through inhalation, absorption, skin contact and ingestion). In addition, the plan describes procedures for decontamination, evacuation, emergency contact information, cleaning measures and reporting requirements, and other. The contaminated materials will be disposed, through Suatrans, in sanitary landfills for hazardous waste. Neutralization chemicals are not allowed to be used in or near surface water bodies. In case further assistance is required, Verasay will contact a specialized emergency response company.
Transport Practice 3.5: Periodically evaluate response procedures and capabilities and revise them as needed.

☑ in full compliance with

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

Summarize the basis for this Finding:

Both ERPs establish that must be reviewed whenever modifications are required or, at least, once a year. The ERPs establish that at least one emergency drills must be performed every year, together or not with the client and/or the mine site.

Emergency drills test response capabilities for cyanide transport-related exposures and releases. Cyanide related emergency drills have been held annually during the re-certification audit period, records for the re-certification period were available and reviewed during the Verasay audit. As stated in the ERPs, the response performance and the need to change any aspect of the procedures is reviewed after any emergency and after annual drills.