

CYPLUS SUPPLY CHAIN IN MEXICO

Cyanide Code Audit

Summary Audit Report

PROJECT NO. 0158665

SEPTEMBER 2012

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1.

SCOPE OF THE AUDITED OPERATIONS

Name of Cyanide Facility: CyPlus, Supply Chain in Mexico
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CyPlus Mexico, subsidiary of Evonik, is a consigner for sodium cyanide supply in solid state (briquettes) in Mexico. Currently, CyPlus supplies several mines in Mexico. CyPlus operates under the commercial name of Evonik Degussa Mexico, S.A. de C.V.

Cyanide is transported to Mexico by ship and is delivered by the cargo company at the Mazatlan and Guaymas Ports. Ship unloading operations are performed by the respective Port Authority, which releases the container by placing it on a truck's platform. The cyanide is transported either to a distribution center located in Ciudad Obregon, Sonora, or directly to a mine. The distribution center is operated by CyPlus.

The main transportation routes are from Mazatlan and Guaymas Ports to the CyPlus distribution center with an approximate length of 640 km and 130 km, respectively.

This audit comprises the transport operations from the moment the Ocean Carrier delivers the cyanide to the Port facility to its delivery to the client facilities (the mines) or to the Distribution Center, and from the Distribution Center to the client site. The Distribution Center operations are described in a separate report. CyPlus has followed the Cyanide Code principles since 2010 in Mexico; however, being this the first certification audit, records were reviewed back to January 2012, some records from 2011 were also reviewed.

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 distribution center or the mine.

CyPlus subcontracts Transportes Tiny S.A. de C.V. (Tiny) and Fulanos Autotransportes y Servicios S.A. de C.V. (Fulanos) to transport sodium cyanide from the Port to the distribution center and Transportes Ahan S.A. de C.V. (Ahan) is subcontracted to transport sodium cyanide from the distribution center to mines.

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Transport companies subcontracted rely on emergency response services and training provided by CyPlus to comply with the Code. They also follow the routes approved by CyPlus.

CyPlus has developed procedures to select the transport company. CyPlus has an internal audit program in place for third parties handling cyanides, according to CyPlus' "Supervision (internal audits)" procedure.

1.1. OVERALL 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.

Audit Company: ERM Mexico, S. A. de C. V.

Audit Team Leader: Juan Carlos Rangel Lopez

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Names and Signatures of Other Auditors: Beatriz Valencia

Date(s) of Audit: 23 to 27 July 2012

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management Institute for Code Verification Auditors.

I attest that this Summary Audit Report accurately describes the findings of the verification audit. I further attest that the verification audit was conducted in a professional manner in accordance with the International Cyanide Management Code Verification Protocol for Cyanide Transportation Operations and using standard and accepted practices for health, safety and environmental audits.

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2. **CYPLUS DETAILED REPORT AS CONSIGNER**

The operation is

- in full compliance
- in substantial compliance
- not in compliance

with the International Cyanide Management Code.

2.1. **TRANSPORT PRACTICE 1. TRANSPORT CYANIDE IN A MANNER THAT MINIMIZES THE POTENTIAL FOR ACCIDENTS AND RELEASES.**

2.1.1. **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:

CyPlus has developed a "Selection of the Routes" procedure, which considers the following criteria in order to select the best available route:

CyPlus has developed a "Selection of the Routes" procedure, which considers the following criteria in order to select the best available route:

- Road configuration (road surface; pitch, grade, and steep slopes; gradient embankment and verges; dangerous curves and serpentines; road intersections; railroad intersections; side rail fencing; sturdy obstacles directly marginal to the roadway; and traffic routing);
- Proximity to water bodies (rivers, canals, creeks, and ditches; lakes, lagoons, and artificial water reservoirs; irrigation ditches and sewers; and water protection areas);
- Proximity to population and facilities (density of population; built-up areas; vulnerable sensitive areas such as housing, nursery, schools, hospitals; and overhead lines/power lines);
- Likelihood of detrimental natural phenomena (earthquakes, sudden flooding, rock fall, and deer pass);
- Criminal risks (robbery, commercial-driven theft, and terrorist-driven heft);
- Prevalent average weather conditions, depending to the relevant season (temperature, wind, fog, snow, and rain);
- Communication availability (cellphone/GSM net, shortwave radio/voice radio, and satellite phone);
- Infrastructure (police stations, fire brigade stations, medical assistance/hospitals, soil recovery services, rescue and towing services, and truck stops);
- Distance and length; and

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- Any other conditions that may present a risk.

The risk assessment following these guidelines is included in the “Determined best available route” and “Road Assessment Report” Forms.

CyPlus, in its “Selection of the Routes” procedure, also established guidelines to evaluate the risks and categorize them into five categories (negligible, insignificant, significant, high and unacceptable risk), and included a list of applicable risk prevention/reduction measures,

The “Selection of the Routes” procedure states that in all cyanide transportation operations, the transport contractor presents a report to CyPlus including the indication of changes on the route. At least once a year these reports are evaluated, decide if the selected route report has to be amended or if the route has to be reevaluated. These reports were available from all three current transport contractors.

According to the “Selection of the Routes” procedure, the route selected and the risks identified and measures taken to address them are registered in the “Road Assessment Report” and the “Determined best available route” forms.

The “Determined best available route” Form includes a list of actions to be taken for each one of the risks identified, while the “Road Assessment Report” Form lists which actions have to be taken at points of the route where a risk was identified.

According to the Transport Emergency Response Plan (dated June 2012) it is CyPlus responsibility to inform the emergency responders regarding the characteristics of cyanide. CyPlus has developed a training program for the different emergency responders (medical community, the firefighters, civil protection authorities, and the different police corporations) regarding cyanide transport procedures, toxicology, and emergency response, including emergency drills.

Mexican transport regulations ban the circulation of vehicles with hazardous materials in convoy configuration.

Safety measures, such as police escort, are included in the risk reduction/prevention measures section of the “Selection of the Routes” procedure in case any security-related risks are identified during the route assessment. However, the security risks were considered insignificant.

As previously noted, CyPlus has developed a training program for the different emergency responders (medical community, the firefighters, civil protection authorities, and the different police corporations) regarding cyanide transport procedures, toxicology, and emergency response, including emergency drills.

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CyPlus subcontracts Transportes Tiny S.A. de C.V. (Tiny) and Fulanos Autotransportes y Servicios S.A. de C.V. (Fulanos) to transport sodium cyanide from the Port of entry and Transportes Ahan S.A. de C.V. (Ahan) is subcontracted to transport sodium cyanide from the distribution center to mines.

Compliance with Transport Practice 1.1 is responsibility of CyPlus, none of these elements has been delegated to any of the transport contractors.

CyPlus has developed "Selection of Logistics Service Providers".

CyPlus has an internal audit program in place for third parties handling cyanides, according to CyPlus' "Supervision (internal audits)" procedure.

CyPlus complies with the eight elements of the Transport Practice 1.1. CyPlus has implemented procedures to minimize the potential for accidents and releases during the transport of cyanide and ensures that its subcontractors follow these procedures.

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

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:

Although this element of Practice 1.2 is not applicable to CyPlus, CyPlus has developed "Selection of Logistics Service Providers" procedure. According to the procedure, the contractors must comply with the following requirements, among others:

- To have a procedure to ensure that the SHEQ training needs for all employees are identified and satisfied so that all operations are carried out safely.

Additionally, CyPlus has developed a set of Safety Standards for Cyanide Transport require that the driver to be trained

CyPlus provides training to the personnel of the transport companies. Additionally, CyPlus audits the transporters to ensure that they comply with the training requirements.

Although this Practice is not applicable to CyPlus as a consigner, CyPlus has implemented procedures to ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to

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communities and the environment and ensures that its subcontractors follow these procedures.

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

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:

CyPlus is responsible for preventing overloading the transport vehicle loaded in the distribution center (see Section 2.1.3). Prevention of overloading vehicles at the ports is responsibility of the transport contractors.

CyPlus has developed a set of Safety Standards for Cyanide Transport (the Safety Standards); which are mandatory to the transport contractors. The Standards include the obligation of inspecting the vehicles, mechanical maintenance of the vehicles, among others. Additionally, the Safety Standards require CyPlus to audit the transport contractors. The audit includes the review of the vehicle inspection

Although this Practice is not applicable to CyPlus as a consigner, CyPlus ensures that transport equipment is suitable for the cyanide shipment.

2.1.4. *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 1.3
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

This element is not applicable to CyPlus as a consigner. However, the Safety Standards require the contractors to inspect their vehicles prior to any transport operation, and to have a preventive maintenance program and to keep a maintenance log.

Transport can be either in ocean containers filled at manufacturing site or trailer boxes, ocean containers, or ISO-tanks filled in the distribution center.

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Prevention of loads shifting within the container or trailer box is responsibility of CyPlus.

The Safety Standards establish:

- Cyanide transport should be stop if there are severe weather conditions.
- Drivers must be tested every quarter with a toxicological test to detect drugs and alcohol use.
- Prior to every transport operation, the driver must be tested for alcohol.

A report is prepared by transport companies after all cyanide transportation operations and submitted to CyPlus. These records are kept for at least three years.

CyPlus verifies compliance with the Safety Standards and the elements 1 to 3 by the cyanide transport companies as part of the semiannual audits previously mentioned.

Although this Practice is not applicable to CyPlus as a consigner, CyPlus has developed and implemented a Safety Standards for transport of cyanide and ensures that its subcontractor follows them. 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:

As described in Section 1, the scope of this audit was from the moment the ship delivers the cyanide at the Mexican port and its ground transport to the distribution center and mines in Mexico; therefore, this practice does not apply.

2.1.5. *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

This element is not applicable to CyPlus as a consigner. Communication availability is one of the criteria included in CyPlus' "Selection of the routes" procedure. The Safety Standards require all vehicles to be monitored through a GPS system by the subcontracted transport companies.

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During the transport operation, the containers locked and tagged by CyPlus. The tags are placed either at the production site or at the distribution center. A transport document (documento de embarque) is generated by transport companies which includes the container number. The container is only open at the distribution center or the mine.

CyPlus complies with the five applicable elements of the Transport Practice 1.6. CyPlus tracks cyanide shipments to prevent losses during transport.

2.2. INTERIM STORAGE: DESIGN, CONSTRUCT AND OPERATE CYANIDE TRANSPORTING DEPOTS AND INTERIM STORAGE SITES TO PREVENT RELEASES AND EXPOSURES.

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

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:

CyPlus operates a distribution center which was assessed under the Production Site Protocol as discussed in Section 2. No other storage facilities intervene in CyPlus operations; therefore it is considered that this practice is not applicable to CyPlus as consigner.

This Practice is not applicable to CyPlus as a consigner. Due diligence to the Ports is discussed in Section 7. The assessment of the distribution center following the Production Site Verification Protocol is discussed in Section 2.

2.3. EMERGENCY RESPONSE: PROTECT COMMUNITIES AND THE ENVIRONMENT THROUGH THE DEVELOPMENT OF EMERGENCY RESPONSE STRATEGIES AND CAPABILITIES.

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

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:

CyPlus has developed a Transport Emergency Response Plan (TERP, "Plan de Contingencias en Carretera") has been prepared based on the CyPlus guidelines.

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The TERP includes, among other information:

- Emergency communication procedure,
- Emergency phone directory,
- Responsibilities and response procedures (includes the roles of firefighters, police and military bodies, Red Cross, civil protection authorities, and others during the emergency response)
- Establishes guidelines for external emergency responders that may arrive to the emergency site before CyPlus teams does.

CyPlus provides cyanide handling and emergency response training to the drivers but keeps responsibility in emergency response. CyPlus has three emergency response teams .

The TERP includes the route assessments which identify potential risks in the selected transportation routes and describe the measures taken to address those risks. There is no description of the truck, yet all emergency response scenarios are in relation to accidents of trucks transporting sodium cyanide in briquettes.

CyPlus complies with the eight elements of the Transport Practice 3.1. CyPlus has prepared detailed emergency response plans for potential cyanide releases.

2.3.2. *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:

CyPlus has emergency brigades. In the event of an emergency, CyPlus personnel would be responsible for the control of the emergency.

CyPlus emergency response personnel were interviewed and their files were reviewed. They were found to be knowledgeable on emergency response procedures and their credentials were consider sufficient to provide this services.

According to the TERP, cyanide transport drivers would provide support to CyPlus responders. As mentioned in practice 1.2, the drivers have received training from CyPlus' specialized personnel in the emergency response procedures, which has been properly documented.

The TERP Section 4 is defines the responsibilities of CyPlus emergency response teams and those of the transport contractor. The section establishes the roles and responsibilities of the General Coordinator, Communications Leader, the First

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Aid Leader, the Brigade Commander, and the Brigade Members. The roles of external responders is described in TERP section 5.3.6

The list of emergency response material includes tyvek suits, chemical resistant gloves, safety goggles, SCUBA units, etc. The availability and functionality of the material listed for the distribution center was verified as part of the audit.

Additionally, the drivers carry their personal protective equipment provided by the transport contractors. According to the reviewed operation reports, these materials have available during the respective transport operations.

The Emergency Response Plan states that training related to emergency response is to be provided by CyPlus. CyPlus has a training program for 2012 – 2013 including emergency drills, which also covers drivers and managers of the transport contractors. The latest training was held in June 5-8, 2012. The attendance of these training by the drivers and the emergency response brigades was confirmed during the audit.

The TREP establishes that the Distribution Manager in Queretaro is responsible for inspecting the emergency response equipment on monthly basis. The equipment in the distribution center is inspected also on a monthly basis by the Safety Coordinator. The TREP includes the checklists that are used for the inspection; and their use was confirmed during the audit.

CyPlus complies with the seven elements of the Transport Practice 3.2. CyPlus has designate response personnel and committed necessary resources for emergency response.

2.3.3. *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:

The TERP first page includes a communication flowchart. According to that, the driver will contact CyPlus immediately in case of emergency, and then to the company they work for. The flowchart includes the lines of communication and the second page is the list of all telephone numbers required by the flowchart and other relevant. Additional numbers are available in Appendix V of the TERP. The communication and notification flow is further detailed in section 5.3.2. A sample of the numbers listed in these pages was dialed during the audit to confirm their validity.

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The Plan's Section 1 establishes that the phone number directory and facilities available in towns throughout the route will be reviewed and updated by CyPlus. The notification and reporting procedures are part of the Plan; which must be reviewed and updated in the event of an accident/incident or at least once a year.

CyPlus complies with the two elements of the Transport Practice 3.3. CyPlus has developed procedures for internal and external emergency notification and reporting.

2.3.4. 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:

The instructions on how to clean a spill and decontaminate the area are included in Section 5 of the TERP, consist of the following:

- o isolating the area,
- o sweeping the cyanide (it is handled only in dry state),
- o collect the debris in a container,
- o covering the area with high density polyethylene liner in case of potential rain,
- o transport the material to the mine or disposal site.

Use of chemicals (e.g. sodium hypochlorite, oxygen peroxide and iron sulfate) to neutralize cyanide that has been released into surface water is explicitly prohibited in the TERP, as a part of the emergency response actions in case of crash/rollover with the product reaching a water body.

CyPlus complies with the two elements of the Transport Practice 3.4. CyPlus has developed procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

2.3.5. ***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

Summarize the basis for this Finding/Deficiencies Identified:

CyPlus is responsible for reviewing and updating the Emergency Response Plan in the event of an accident/incident occurred during the loading/unloading and transportation activities or at least once a year. According to CyPlus representatives, no accidents have taken place.

The TERP includes in section 6 a training and drill program for 2012 and 2013 including training events and drills for the different zones of Mexico where they transport cyanide (CyPlus has divided their footprint in Mexico in four zones). The program includes per year two drills, two training in hazardous materials and cyanides handling, and two training sessions on cyanide emergency response.

CyPlus complies with the three elements of the Transport Practice 3.5. CyPlus periodically evaluates its emergency response procedures and capabilities and revises them as needed.

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3. **TRANSPORTES TINY S.A. DE C.V.**

This operation is

- in full compliance
- in substantial compliance
- not in compliance

with the International Cyanide Management Code.

3.1. TRANSPORT PRACTICE 1. TRANSPORT CYANIDE IN A MANNER THAT MINIMIZES THE POTENTIAL FOR ACCIDENTS AND RELEASES.

3.1.1. 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:

CyPlus has developed a "Selection of Routes" procedure which is compliant with this requirement (See section 2.1.1 for details on Cyplus compliance with this Practice). Tiny follows the route and the measures established by CyPlus in the Emergency Response Plan. Tiny supports CyPlus in the assessment of the routes, but the assessments are validated by CyPlus.

Tiny follows the routes and safety measures established by CyPlus, which are compliant with Transport Practice 1.1. Therefore, it is concluded that Tiny complies with Transport Practice 1.1.

3.1.2. 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.

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:

Training courses provides by Tiny include the following topics:

- Hazardous chemicals management,
- Emergency response plan,

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- Hazardous waste management,
- Cyanide management and transport,
- First aids,
- Cyanide Code,
- Cyanide toxicology and use of antidotes,
- Use of communication equipment during cyanide transportation,
- Firefighting,
- Local transportation regulations, and
- Defensive driving.

In addition, CyPlus provides the course called "Safety cyanide management".

Training program is attended by all Tiny's drivers and personnel related to the management of cyanide. Tiny keeps copies of the attendance list for each training session.

Tiny does not subcontract any of the cyanide handling or transport.

With the support from CyPlus (See section 2.1.2 for details on Cyplus compliance with this Practice), Tiny complies with the two applicable elements of the Transport Practice 1.2. Tiny has implemented procedures to ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

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

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:

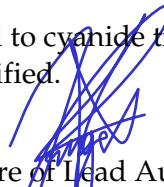
Tiny transports only cyanide in ocean containers filled at the manufacturing site. Transport is from Mazatlan Port to mines or the distribution center.

Tiny's vehicles have received authorization by Mexican authorities to operate as hazardous waste transport vehicles. To obtain these authorizations, the vehicles have to be inspected, on an annual basis, by technician accredited by the Mexican Communications and Transport Ministry.

Tiny has implemented a checklist to conduct visual inspection prior to Cyanide Transport".

The inspection checklist related to cyanide transport operations for 2012 were reviewed; no issues were identified.

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Tiny complies with the three applicable elements of the Transport Practice 1.3. Tiny has implemented procedures to ensure that transport equipment is suitable for the cyanide shipment.

3.1.4. *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

Summarize the basis for this Finding/Deficiencies Identified:

The transport modality consists of transporting a container which is locked and tagged at the production facility. The lock and tag are removed at the distribution center or the mine. Tiny's personnel are not authorized to open the container.

Tiny's Procedure to program and load containers with cyanide (PR-TRCARGACIANURO-03) includes the requirement to inspect the truck and documents using a checklist, to review twist locks, alcohol text, maximum speed 85 km/hr, the instruction to stop only in authorized stops, and maximum service hours. The visual inspection checklist also requires verifying that the placards are posted on the truck.

Tiny has a corporate maintenance policy. Policy includes maintenance frequency and maintenance activities that must be performed.

The corrective and preventive actions are recorded in the Tiny's maintenance hardware.

In addition, Tiny has been accredited by the Mexican Accreditation Entity to conduct trucks mechanical inspections in accordance with the Mexican Official Standard NOM-068-2-SCT-2000.

Prevention of loads shifting is responsibility of CyPlus. Tiny visual inspection checklist includes verifying twist locks to prevent the container to shift off the trailer platform.

Tiny has a procedure to program and load containers with cyanide which establishes a maximum 8 hrs. journey. Additionally, Tiny follows CyPlus' Safety Standards on maximum driving hours, rest periods, and daylight only.

Tiny follows CyPlus' Safety Standards which require them to stop at pre-selected stops or delay the operation if there is severe weather or civil unrest.

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Tiny has a procedure for Alcohol tests which establishes the requirement of performing the alcohol test prior to the departure. Additionally, Tiny follows CyPlus Safety Standards that require the drivers to be tested every quarter with a toxicological test to detect drugs and alcohol use and for alcohol prior to every transport operation.

Tiny keeps maintenance records as long as the unit is owned, vehicle inspection checklists, alcohol and drugs tests records will be kept for at least three year.

Tiny complies with the three applicable elements of the Transport Practice 1.4. Tiny has developed and implemented a safety program for transport of cyanide.

3.1.5. *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:

Tiny is a ground transport contractor, this element is not applicable to Tiny. This practice does not apply to the transporter.

3.1.6. *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

Summarize the basis for this Finding/Deficiencies Identified:

All the trucks are equipped with radio communicators and mobile phones. In addition all the trucks are equipped with a GPS system and are monitored in real-time from the Tiny's operation base.

According to the interviewed drivers, mobile phones and radios are tested prior to the departure of the trucks; however, these are not recorded.

Tiny's drivers have been trained in the blackout areas procedure developed by CyPlus. The interviewed drivers were familiar with the blackout areas and the applicable procedure.

As previously noted, cyanide is received in containers locked and tagged at the production site. A transport document (document de embarque) is generated by Tiny which includes the container number. The container is only open at the distribution center or the mine.

The availability, at each truck, of the transport document, the emergency response, and the MSDS, among other documents, is verified using a checklist prior to the truck departure.

Tiny complies with the six applicable elements of the Transport Practice 1.6. Tiny tracks cyanide shipments to prevent losses during transport.

3.2. INTERIM STORAGE: DESIGN, CONSTRUCT AND OPERATE CYANIDE TRANSPORTING DEPOTS AND INTERIM STORAGE SITES TO PREVENT RELEASES AND EXPOSURES.

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

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:

Tiny does not operate interim storages. This practice does not apply to the transporter.

3.3. EMERGENCY RESPONSE: PROTECT COMMUNITIES AND THE ENVIRONMENT THROUGH THE DEVELOPMENT OF EMERGENCY RESPONSE STRATEGIES AND CAPABILITIES.

3.3.1. 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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Tiny follows CyPlus' Emergency Response Plan; therefore it is considered that Tiny is in full compliance with this practice.

CyPlus complies with the eight elements of the Transport Practice 3.1. CyPlus has prepared detailed emergency response plans for potential cyanide releases. Tiny follows CyPlus' Emergency Response Plan; therefore it is considered that Tiny is in full compliance with this requirement.

See section 2.3.1 for details on Cyplus compliance with this Practice.

3.3.2. 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:

According to CyPlus emergency response procedure, the emergency respond brigades of CyPlus would be in charge of attending the emergency, with support from Tiny drivers who receive training from CyPlus specialized personnel in the emergency response procedures, which has been properly documented. Tiny follows CyPlus' Emergency Response Plan; therefore it is considered that Tiny is in full compliance with this requirement.

All trucks owned by Tiny are equipment, as minimum, with the following emergency respond equipment:

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- Cyanide emergency response guide;
- First-aid kit;
- Personal protective equipment to attend cyanide emergencies;
- Firefighting extinguisher;
- Warning triangles;
- Brake beams; and
- Cell phone.

As previously noted, Tiny drivers receive refreshment training at least annually. This training includes emergency response procedures.

Drivers' supervisor verifies that the emergency response equipment (see element 4 of this principle) of each truck is in operable conditions before every shipment.

CyPlus complies with the seven elements of the Transport Practice 3.2. CyPlus has designate response personnel and committed necessary resources for emergency response. Tiny follows CyPlus' Emergency Response Plan; therefore it is considered that Tiny is in full compliance with this requirement.

See section 2.3.2 for details on Cyplus compliance with this Practice.

3.3.3. *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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Tiny follows CyPlus' Emergency Response Plan; therefore it is considered that Tiny is in full compliance with this practice.

CyPlus complies with the two elements of the Transport Practice 3.3. CyPlus has developed procedures for internal and external emergency notification and reporting. Tiny follows CyPlus' Emergency Response Plan; therefore it is considered that Tiny is in full compliance with this requirement.

See section 2.3.3 for details on Cyplus compliance with this Practice.

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3.3.4. *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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Tiny follows CyPlus' Emergency Response Plan; therefore it is considered that Tiny is in full compliance with this practice.

CyPlus complies with the two elements of the Transport Practice 3.4. CyPlus has developed procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals. Tiny follows CyPlus' Emergency Response Plan; therefore it is considered that Tiny is in full compliance with this requirement.

See section 2.3.4 for details on Cyplus compliance with this Practice.

3.3.5. *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

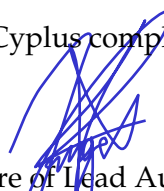
Summarize the basis for this Finding/Deficiencies Identified:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Tiny follows CyPlus' Emergency Response Plan; therefore it is considered that Tiny is in full compliance with this Practice.

CyPlus complies with the three elements of the Transport Practice 3.5. CyPlus periodically evaluates its emergency response procedures and capabilities and revises them as needed. Tiny follows CyPlus' Emergency Response Plan; therefore it is considered that Tiny is in full compliance with this requirement.

See section 2.3.5 for details on Cyplus compliance with this Practice.

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4. **FULANOS TRANSPORTES Y SERVICIOS S.A DE C.V.**

This operation is

- in full compliance
- in substantial compliance
- not in compliance

with the International Cyanide Management Code.

4.1. **TRANSPORT PRACTICE 1. TRANSPORT CYANIDE IN A MANNER THAT MINIMIZES THE POTENTIAL FOR ACCIDENTS AND RELEASES.**

4.1.1. **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:

CyPlus has developed a "Selection of Routes" procedure which is compliant with this requirement. Fulanos follows the route and the measures established by CyPlus in the Emergency Response Plan. Fulanos supports CyPlus in the assessment of the routes, but the assessments are validated by CyPlus.

Fulanos follows the safety measures established by CyPlus in the Emergency Response Plan. No escorts are used by Fulanos.

Fulanos follows the routes and safety measures established by CyPlus, which are compliant with Transport Practice 1.1. Therefore, it is concluded that Fulanos complies with Transport Practice 1.1.

See section 2.1.1 for details on Cyplus compliance with this Practice.

4.1.2. *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.*

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:

Authorized drivers have been trained by qualified personnel of CyPlus and the National Chemical Industry Association (ANIQ, Asociación Nacional de la Industria Química).

Fulanos drivers must attend the training program and hold the driver license granted by the Federal Transport Agency that authorized the drivers to transport hazardous materials, including cyanide.

To obtain the mentioned license, federal regulations require the drivers for hazardous materials transport fulfill the following requirements:

- Two years of experience transporting hazardous waste and hazardous materials;
- Training course provided by the Federal Transport Agency, regarding hazardous waste and hazardous materials transportation, and
- Physical and psychological surveys.

The files for the six authorized drivers were reviewed and included current copies of the documents showing the mandatory health exam and proof of the mandatory training and license.

As mentioned before, Fulanos has implemented a training program. Training program is taught to all Fulanos' drivers and personnel related to the management of cyanide. Fulanos' drivers are retrained annually. During this training, the toxicity of cyanide, the reaction with water as well as the emergency response procedures and the use of respiratory protection equipment are reviewed. Fulanos keeps copies of the attendance list for each training session.

With the support from CyPlus, Fulanos complies with the two applicable elements of the Transport Practice 1.2. Fulanos has implemented procedures to ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

See section 2.1.2 for details on Cyplus compliance with this Practice.

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

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:

1. *Does the transport company only use equipment designed and maintained to operate within the loads it will be handling?*

Fulanos transports only cyanide in ocean containers filled at the manufacturing site. Transport is from Mazatlan Port to mines or the distribution center.

Fulanos vehicles have received authorization by Mexican authorities to operate as hazardous waste transport vehicles to obtain these authorizations; the vehicles have to be inspected, on an annual basis, by technician accredited by the Mexican Communications and Transport Ministry.

Fulanos has implemented a checklist to conduct visual inspection prior to Cyanide Transport". The inspection checklist related to cyanide transport operations for 2012 were reviewed; no issues were identified.

Fulanos complies with the three applicable elements of the Transport Practice 1.3. Fulanos has implemented procedures to ensure that transport equipment is suitable for the cyanide shipment.

4.1.4. 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

Summarize the basis for this Finding/Deficiencies Identified:

The transport modality consists of transporting a container which is locked and tagged at the production facility. The lock and tag are removed at the distribution center or the mine only. Fulanos' personnel are not authorized to open the container.

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The visual inspection checklist requires verifying that the placards are posted on the truck.

Fulanos has a preventive maintenance program composed of the following procedures:

- Oil and filters change procedure, which includes check list per truck brand (includes frequency of oil and filters change based on the mileage recommended by the manufacturer); and
- General maintenance checklist which requires an inspection of the vehicle when arriving after a trip for (including lights, tires, breaks, lubrication, fluids levels, belts and twist lock of the platform).
- Additionally, there are general lubrication, breaks inspection, suspension system inspection, and tire inspection procedures.

The corrective and preventive actions are recorded in the general maintenance checklist. During the audit the files of three (out of six) units were reviewed. No major issues were identified.

Fulanos implemented a driving hours procedure which follows CyPlus' Safety Standards on maximum driving hours, rest periods, and daylight only.

Prevention of loads shifting is responsibility of CyPlus. Fulanos' visual inspection checklist includes verifying twist locks to prevent the container to shift off the trailer platform.

Fulanos follows CyPlus' Safety Standards which require them to stop at pre-selected stops or delay the operation if there is severe weather or civil unrest.

Fulanos implemented an alcohol test that is performed prior to start driving on a daily basis during shipment operations including a format to document this activity. In addition, Fulanos has an anti-drug policy which is in line with CyPlus Safety Standards.

Fulanos keeps maintenance records as long as the unit is owned, vehicle inspection checklists, alcohol and drugs tests records will be kept for at least three year.

Fulanos complies with the three applicable elements of the Transport Practice 1.4. Fulanos has developed and implemented a safety program for transport of cyanide.

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4.1.5. *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:

Fulanos is a ground transport contractor, this element is not applicable to Fulanos. This practice does not apply to the transporter.

4.1.6. *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

Summarize the basis for this Finding/Deficiencies Identified:

All the trucks are equipped with radio communicators and mobile phones. In addition all the trucks are equipped with a GPS system.

According to the interviewed drivers, mobile phones and radios are tested prior to the departure of the trucks; however, these are not recorded.

Fulanos' drivers have been trained in the blackout areas procedure developed by CyPlus. The interviewed drivers were familiar with the blackout areas and the applicable procedure.

As previously noted, cyanide is received in containers locked and tagged at the production site. A transport document (document de embarque) is generated by Fulanos which includes the container number. The container is only open at the distribution center or the mine.

The availability, at each truck, of the transport document, the emergency response, and the MSDS, among other documents, is verified using a checklist prior to the truck departure.

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Fulanos complies with the six applicable elements of the Transport Practice 1.6. Fulanos tracks cyanide shipments to prevent losses during transport.

4.2. INTERIM STORAGE: DESIGN, CONSTRUCT AND OPERATE CYANIDE TRANSPORTING DEPOTS AND INTERIM STORAGE SITES TO PREVENT RELEASES AND EXPOSURES.

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

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:

Fulanos does not operate interim storages. This practice does not apply to the transporter.

4.3. EMERGENCY RESPONSE: PROTECT COMMUNITIES AND THE ENVIRONMENT THROUGH THE DEVELOPMENT OF EMERGENCY RESPONSE STRATEGIES AND CAPABILITIES.

4.3.1. 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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Fulanos follows CyPlus' Emergency Response Plan; therefore it is considered that Fulanos is in full compliance with this practice.

CyPlus complies with the eight elements of the Transport Practice 3.1. CyPlus has prepared detailed emergency response plans for potential cyanide releases. Fulanos follows CyPlus' Emergency Response Plan; therefore it is considered that Fulanos is in full compliance with this requirement.

See section 2.3.1 for details on Cyplus compliance with this Practice.

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4.3.2. *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 2.1
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

According to CyPlus emergency response procedure, the emergency response brigades of CyPlus would be in charge of attending the emergency, with support from Fulanos drivers who receive training from CyPlus specialized personnel in the emergency response procedures, which has been properly documented. The Plan describes the responsibilities of Fulanos' drivers.

All trucks owned by Fulanos are equipped, as minimum, with the following emergency response equipment:

- Cyanide MSDS;
- Cyanide emergency response guide;
- First-aid kit;
- Personal protective equipment to attend cyanide emergencies;
- Firefighting extinguisher;
- Warning triangles;
- Brake beams;
- Barricade tape;
- Radio communicator; and
- Mobile phone.

As previously noted, Fulanos drivers receive refreshment training at least annually. This training includes emergency response procedures.

The driver verifies that the emergency response equipment of his truck is in operable conditions before every shipment.

CyPlus complies with the seven elements of the Transport Practice 3.2. CyPlus has designated response personnel and committed necessary resources for emergency response. Fulanos follows CyPlus' Emergency Response Plan; therefore it is considered that Fulanos is in full compliance with this requirement.

See section 2.3.2 for details on Cyplus compliance with this Practice.

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4.3.3. *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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Fulanos follows CyPlus' Emergency Response Plan; therefore it is considered that Fulanos is in full compliance with this practice.

CyPlus complies with the two elements of the Transport Practice 3.3. CyPlus has developed procedures for internal and external emergency notification and reporting. Fulanos follows CyPlus' Emergency Response Plan; therefore it is considered that Fulanos is in full compliance with this requirement.

See section 2.3.3 for details on Cyplus compliance with this Practice.

4.3.4. *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 2.1
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Fulanos follows CyPlus' Emergency Response Plan; therefore it is considered that Fulanos is in full compliance with this practice.

CyPlus complies with the two elements of the Transport Practice 3.4. CyPlus has developed procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals. Fulanos follows CyPlus' Emergency Response Plan; therefore it is considered that Fulanos is in full compliance with this requirement.

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See section 2.3.4 for details on Cyplus compliance with this Practice.

4.3.5. *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

Summarize the basis for this Finding/Deficiencies Identified:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Fulanos follows CyPlus' Emergency Response Plan; therefore it is considered that Fulanos is in full compliance with this Practice.

CyPlus complies with the three elements of the Transport Practice 3.5. CyPlus periodically evaluates its emergency response procedures and capabilities and revises them as needed. Fulanos follows CyPlus' Emergency Response Plan; therefore it is considered that Fulanos is in full compliance with this requirement.

See section 2.3.5 for details on Cyplus compliance with this Practice.

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5. **AHAN S.A DE C.V.**

This operation is

- in full compliance
- in substantial compliance
- not in compliance

with the International Cyanide Management Code.

5.1. **TRANSPORT PRACTICE 1. TRANSPORT CYANIDE IN A MANNER THAT MINIMIZES THE POTENTIAL FOR ACCIDENTS AND RELEASES.**

5.1.1. **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:

CyPlus has developed a "Selection of Routes" procedure which is compliant with this requirement. AHAN follows the route and the measures established by CyPlus in the Emergency Response Plan. No escorts are used by AHAN,

AHAN follows the safety measures established by CyPlus in the Emergency Response Plan. No escorts are used by AHAN.

AHAN follows the routes and safety measures established by CyPlus, which are compliant with Transport Practice 1.1. Therefore, it is concluded that AHAN complies with Transport Practice 1.1.

See section 2.1.1 for details on Cyplus compliance with this Practice.

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5.1.2. ***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.***

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:

The AHAN's training program is implemented by qualified personnel from AHAN and CyPlus.

AHAN drivers must attend the training program and hold the driver license granted by the Federal Transport Agency that authorized the drivers to transport hazardous materials, including cyanide.

To obtain the mentioned license, federal regulations require the drivers for hazardous materials transport fulfill the following requirements:

- Two years of experience transporting hazardous waste and hazardous materials;
- Training course provided by the Federal Transport Agency, regarding hazardous waste and hazardous materials transportation, and
- Physical and psychological surveys.

Once the new employees have been trained, they must perform two trips accompanied by an experienced driver.

The files of Ahan drivers were reviewed and included current copies of the documents showing the mandatory health exam and proof of the mandatory training and license.

As mentioned before, AHAN has implemented a training program. Training program is taught to all AHAN' drivers and personnel related to the management of cyanide. During this training, the toxicity of cyanide, the reaction with water as well as the emergency response procedures and the use of respiratory protection equipment are reviewed. AHAN keeps copies of the attendance list for each training session.

With the support from CyPlus, AHAN complies with the two applicable elements of the Transport Practice 1.2. AHAN has implemented procedures to 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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See section 2.1.2 for details on Cyplus compliance with this Practice.

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

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:

AHAN vehicles have received authorization by Mexican authorities to operate as hazardous waste transport vehicles. To obtain these authorizations, the vehicles have to be inspected, on an annual basis, by technician accredited by the Mexican Communications and Transport Ministry

AHAN has implemented a checklist to conduct visual inspection prior to Cyanide Transport”.

The inspection checklist related to cyanide transport operations for 2012 were reviewed; no issues were identified.

CyPlus is responsible for preventing overloading the transport vehicle loaded in the distribution center (see Section 2.1.3).

AHAN complies with the three applicable elements of the Transport Practice 1.3. AHAN has implemented procedures to ensure that transport equipment is suitable for the cyanide shipment.

5.1.4. *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

Summarize the basis for this Finding/Deficiencies Identified:

AHAN transports cyanide in a containers or trailer boxes which are locked and tagged at the production facility or the distribution center. The lock and tag are

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removed at the mine or the distribution center. AHAN personnel are not authorized to open the lock or remove the tag.

The visual inspection checklist requires verifying that the placards are posted on the truck.

As previously noted, AHAN has implemented a vehicle inspection checklist that is applied to each vehicle prior to any cyanide transport operation.

AHAN has a preventive maintenance program that includes:

- Oil and filters change, which includes check list per truck brand (includes frequency of oil and filters change based on the mileage recommended by the manufacturer); and
- General maintenance checklist which requires an inspection of the vehicle when arriving after a trip for both the truck and the trailer (including lights, tires, breaks, lubrication, fluids levels, belts and twist lock of the platform).
- Additionally, there are general lubrication, breaks inspection, suspension system inspection, and tire inspection procedures.

The corrective and preventive actions are recorded in the general maintenance logbook.

AHAN has maximum driving hours procedure that is in line with CyPlus' Safety Standards on maximum driving hours

Prevention of loads shifting is responsibility of CyPlus. AHAN' visual inspection checklist includes verifying twist locks to prevent the container to shift off the trailer platform.

AHAN follows CyPlus' Safety Standards which require them to stop at pre-selected stops or delay the operation if there is severe weather or civil unrest.

AHAN implemented an alcohol test that is performed prior to start driving on a daily basis during shipment operations including a format to document this activity. In addition, AHAN has an anti-drug policy which is in line with CyPlus Safety Standards.

AHAN keeps maintenance records as long as the unit is owned, vehicle inspection checklists, alcohol and drugs tests records will be kept for at least three year.

AHAN complies with the three applicable elements of the Transport Practice 1.4. AHAN has developed and implemented a safety program for transport of cyanide.

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5.1.5. *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:

AHAN is a ground transport contractor, this element is not applicable to AHAN. This practice does not apply to the transporter

5.1.6. *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

Summarize the basis for this Finding/Deficiencies Identified:

All the trucks are equipped with radio communicators and mobile phones. Additionally, all the trucks are equipped with a GPS system.

According to the interviewed drivers, mobile phones and radios are tested prior to the departure of the trucks; however, these are not recorded.

AHAN's drivers have been trained in the blackout areas procedure developed by CyPlus. The interviewed drivers were familiar with the blackout areas and the applicable procedure.

As previously noted, cyanide is received in containers or trailer boxes locked and tagged at the production site or the distribution center. A transport document (document de embarque) is generated by AHAN which includes the container number. The lock and tag are only removed at the distribution center or the mine.

The availability, at each truck, of the transport document, the emergency response, and the MSDS, among other documents, is verified using a checklist prior to the truck departure.

AHAN complies with the six applicable elements of the Transport Practice 1.6. AHAN tracks cyanide shipments to prevent losses during transport.

5.2. INTERIM STORAGE: DESIGN, CONSTRUCT AND OPERATE CYANIDE TRANSPORTING DEPOTS AND INTERIM STORAGE SITES TO PREVENT RELEASES AND EXPOSURES.

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

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:

AHAN does not operate interim storages. This practice does not apply to the transporter.

5.3. EMERGENCY RESPONSE: PROTECT COMMUNITIES AND THE ENVIRONMENT THROUGH THE DEVELOPMENT OF EMERGENCY RESPONSE STRATEGIES AND CAPABILITIES.

5.3.1. 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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. AHAN follows CyPlus' Emergency Response Plan; therefore it is considered that AHAN is in full compliance with this practice.

AHAN complies with the eight elements of the Transport Practice 3.1. CyPlus has prepared detailed emergency response plans for potential cyanide releases. AHAN follows CyPlus' Emergency Response Plan; therefore it is considered that AHAN is in full compliance with this requirement.

See section 2.3.1 for details on Cyplus compliance with this Practice.

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5.3.2. *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:

According to CyPlus emergency response procedure, the emergency respond brigades of CyPlus would be in charge of attending the emergency, with support from AHAN drivers who receive training from CyPlus specialized personnel in the emergency response procedures, which has been properly documented. The Plan describes the responsibilities of AHAN's drivers.

All trucks owned by AHAN are equipment, as minimum, with the following emergency respond equipment:

- Cyanide emergency response guide;
- First-aid kit;
- Personal protective equipment to attend cyanide emergencies;
- Firefighting extinguisher;
- Warning triangles;
- Brake beams; and
- Cell phone.

As previously noted, AHAN drivers receive refreshment training at least annually. This training includes emergency response procedures.

Drivers verify that the emergency response equipment of each truck is in operable conditions before every shipment.

AHAN complies with the seven elements of the Transport Practice 3.2. CyPlus has designate response personnel and committed necessary resources for emergency response. AHAN follows CyPlus' Emergency Response Plan; therefore it is considered that AHAN is in full compliance with this requirement.

See section 2.3.2 for details on Cyplus compliance with this Practice.

5.3.3. *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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. AHAN follows CyPlus' Emergency Response Plan; therefore it is considered that AHAN is in full compliance with this practice.

AHAN complies with the two elements of the Transport Practice 3.3. CyPlus has developed procedures for internal and external emergency notification and reporting. AHAN follows CyPlus' Emergency Response Plan; therefore it is considered that AHAN is in full compliance with this requirement.

See section 2.3.3 for details on Cyplus compliance with this Practice.

5.3.4. *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

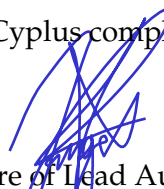
Summarize the basis for this Finding/Deficiencies Identified:

AHAN has prepared and implemented an Emergency Response Plan which is compliant with these requirements. AHAN follows CyPlus' Emergency Response Plan; therefore it is considered that AHAN is in full compliance with this practice.

AHAN complies with the two elements of the Transport Practice 3.4. CyPlus has developed procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals. AHAN follows CyPlus' Emergency Response Plan; therefore it is considered that AHAN is in full compliance with this requirement.

See section 2.3.4 for details on Cyplus compliance with this Practice.

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5.3.5. *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 2.1
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. AHAN follows CyPlus' Emergency Response Plan; therefore it is considered that AHAN is in full compliance with this Practice.

CyPlus complies with the three elements of the Transport Practice 3.5. CyPlus periodically evaluates its emergency response procedures and capabilities and revises them as needed. AHAN follows CyPlus' Emergency Response Plan; therefore it is considered that AHAN is in full compliance with this requirement.

See section 2.3.5 for details on Cyplus compliance with this Practice.

6. **GUAYMAS PORT**

This operation is

- in full compliance
- in substantial compliance
- not in compliance

with the International Cyanide Management Code.

The Guaymas port is certified in the following standards:

- International Ship and Port Facility Security (ISPS) Code.
- ISO 14,001
- ISO 9,001
- Clean Industry (certifies compliance with Mexican environmental regulations)

6.1. TRANSPORT PRACTICE 1. TRANSPORT CYANIDE IN A MANNER THAT MINIMIZES THE POTENTIAL FOR ACCIDENTS AND RELEASES.

6.1.1. Transport Practice 1.1 Transport cyanide in a manner that minimizes 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:

This practice is not applicable to the Guaymas Port. All activities related to Transport Practice 1.1 are performed directly by CyPlus. See section 2.1.1 for details on Cyplus compliance with this Practice.

6.1.2. *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.*

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:

According to the interviewed port representatives, new operators of container handling machinery (container lifts, yard cranes, and trailer platforms) receive supervised on the job training prior to be allowed to operate the equipment independently. Additionally, most of their personnel have several years of experience as they are a government organization and turn-over is minimal. No licenses issued by the government are required for the operators.

The Port has a training refresher program including fire suppression, health and safety, hazardous goods handling, machinery operation.

In addition to the training described in above, CyPlus has provided complementary training to the port personnel (operators and managers) regarding cyanide handling and emergency response. The training was provided by ANIQ.

The Guyamas Port, with support from CyPlus, ensures that personnel operating cyanide handling equipment can perform their jobs with minimum risk to communities and the environment.

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

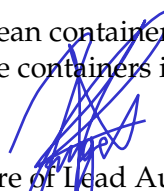
The operation is:

- in full compliance with
- in substantial compliance with Transport Practice 1.3
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The port receives cyanide in ocean containers, which are unloaded using the ship crane. Internal movement of the containers is performed using yard cranes and

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lifts, which have a load capacity of at least 30 tons (maximum weight of the container is approximately 24 tons).

According to the interviewed port representatives and operators, the container handling equipment is inspected prior to its use at the beginning of the work day. The inspection is performed by a member of the maintenance team and the operator is not allowed to move the unit until clearance is received from the inspector. No records are kept for this inspection.

The equipment used by the port can only handle one container at the time and have capacities of 30 tons and above.

The Guyamas Port, ensures that ensure that equipment used to handle cyanide is suitable.

6.1.4. *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 2.1
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

This practice is not applicable to the Port. However, the port has a drugs and alcohol use prevention policy; no tests are performed but the workers are visually screened in the port access. Preventive maintenance of container handling equipment is performed based on operating hours (every 250 hrs) or every three months; maintenance operations are recorded in logbooks. Additionally, maintenance personnel perform visual inspections of the equipment prior to its use at the beginning of the work day.

As previously mentioned CyPlus has agreed with the Port and Custom authorities to avoid opening the containers at the port facility; these are open at the distribution center or the client site.

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6.1.5. *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 practice does not apply to the Port

6.1.6. *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

Summarize the basis for this Finding/Deficiencies Identified:

This practice does not apply to the Port.

6.2. *INTERIM STORAGE: DESIGN, CONSTRUCT AND OPERATE CYANIDE TRANS-SHIPPING DEPOTS AND INTERIM STORAGE SITES TO PREVENT RELEASES AND EXPOSURES.*

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

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:

The port has designed a cyanide storage area. No warning signs were observed in the area; however, there is no personnel stationed in the area as it is not a warehouse. The cyanide remains in the ocean container; which is labeled with the UN number and the division number placards. The port employees have been

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trained to identify the cyanide containers and the safety rules around them. The containers are not open at the port.

The perimeter of the port is fenced with cyclonic mesh and metal bars and security shed. The port also has CCTV surveillance.

Cyanide is the only chemical handled in containers by the port. No incompatible materials are stored nearby the cyanide interim storage. Sulfuric acid is stored in tanks approximately 500 m away and in the other side of a hill from the cyanide storage area. Additionally, the cyanide remains at all times in their packaging material and in their container. Therefore, it is considered that cyanide is protected from contact with incompatible materials.

Although cyanide is not stored under a roof, as previously noted, cyanide is kept in its packaging material (which includes plastic bags) and container. Therefore, it is considered that cyanide is protected from contact with water. Therefore no ventilation is required to prevent build-up of hydrogen cyanide.

The port does not have secondary containment; however, cyanide is handled only in solid state within the container and approximately 200 meters away from the docks area. No liquid materials are reportedly handled in containers by the port and therefore no liquids could be spilled in the containers storage area.

6.3. EMERGENCY RESPONSE: PROTECT COMMUNITIES AND THE ENVIRONMENT THROUGH THE DEVELOPMENT OF EMERGENCY RESPONSE STRATEGIES AND CAPABILITIES.

6.3.1. 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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. CyPlus has provided copies of the Emergency Response Plan and training to the Port personnel. In case of an emergency related to cyanide at the port, the Port will follow CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this practice.

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Nonetheless, the port has its own emergency response program that covers:

- Fire
- Explosion
- Dangerous goods spill
- Flooding
- Among other emergencies.

The Port has an Emergency Response Brigade that receives training on an annual basis provided in-house. The brigades are trained in fire control, hazardous materials handling, among other topics. The role of the port brigade in case of a cyanide related emergency would be to isolate the area and prevent escalation.

The Port complies with the eight elements of the Transport Practice 3.1. CyPlus has prepared detailed emergency response plans for potential cyanide releases. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this requirement.

See section 2.3.1 for details on Cyplus compliance with this Practice.

6.3.2. *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:

According to CyPlus emergency response procedure, the emergency response brigades of CyPlus would be in charge of attending the emergency, with support from the port personnel who have received training from CyPlus specialized personnel in the emergency response procedures. The training has been documented through attendance lists. Additionally, CyPlus has provided training to the Guaymas municipal firefighters and other external emergency responders that could cooperate during an emergency at the port.

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with this requirement. The Plan describes the responsibilities of the port personnel. In case there is an emergency related to cyanide, the port follows CyPlus' Emergency Response Plan; therefore it is considered that the Port is in full compliance with this requirement.

The port has SCUBA units, tyvek suits, rubber boots, neoprene gloves, and empty containers which are inspected on a monthly basis. This is additional to the

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equipment that would be brought to the port by CyPlus brigades. Additionally, CyPlus has provided two antidote kits to the Port.

As previously noted, the port brigades receive refreshment training at least annually. CyPlus trained the port personnel in June 2012 and has a training program that includes four training sessions from 2012 to 2013 for the port personnel (simultaneously with other parties).

As previously noted, the port inspects its emergency response equipment on a monthly basis. The equipment used to respond to cyanide emergencies is controlled and inspected by Cyplus as described in section 3.3.2.

The Guaymas port complies with the seven elements of the Transport Practice 3.2. CyPlus has designate response personnel and committed necessary resources for emergency response. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this requirement.

See section 2.3.2 for details on Cyplus compliance with this Practice.

6.3.3. *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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this practice.

The port complies with the two elements of the Transport Practice 3.3. CyPlus has developed procedures for internal and external emergency notification and reporting. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this requirement.

See section 2.3.3 for details on Cyplus compliance with this Practice.

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6.3.4. *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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this practice.

See section 2.3.4 for details on Cyplus compliance with this Practice.

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

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this Practice.

See section 2.3.5 for details on Cyplus compliance with this Practice.

7. **MAZATLAN PORT**

This operation is

- in full compliance
- in substantial compliance
- not in compliance

with the International Cyanide Management Code.

The Mazatlan port is certified in the following standards:

- International Ship and Port Facility Security (ISPS) Code.
- ISO 14,001
- ISO 9,001

7.1. **TRANSPORT PRACTICE 1. TRANSPORT CYANIDE IN A MANNER THAT MINIMIZES THE POTENTIAL FOR ACCIDENTS AND RELEASES.**

7.1.1. **Transport Practice 1.1 Transport cyanide in a manner that minimizes 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:

This practice is not applicable to the port. All activities related to Transport Practice 1.1 are performed directly by CyPlus. See section 2.1.1 for details on Cyplus compliance with this Practice.

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7.1.2. *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.*

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:

The port has an induction and refresher training program for operators of container handling machinery and supervised on the job training prior to be allowed to operate the equipment independently. Additionally, most of their personnel have several years of experience as they are a government organization and turn-over is minimal. No licenses issued by the government are required for the operators.

The Port has a training refresher program including fire suppression, health and safety, hazardous goods identification and handling, machinery operation.

In addition to the training described in above, CyPlus has provided complementary training to the port personnel (operators and managers) regarding cyanide handling and emergency response. The training was provided by ANIQ.

The Mazatlan Port, with support from CyPlus, ensures that personnel operating cyanide handling equipment can perform their jobs with minimum risk to communities and the environment.

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

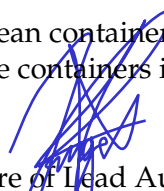
The operation is:

- in full compliance with
- in substantial compliance with Transport Practice 1.3
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The port receives cyanide in ocean containers, which are unloaded using the ship crane. Internal movement of the containers is performed using a strakers (cranes

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and trucks, which have a load capacity of at least 30 tons (maximum weight of the container is approximately 24 tons).

According to the interviewed port representatives and operators, the container handling equipment is inspected prior to its use at the beginning of the work day using a checklist. The port also inspects the containers to ensure that they are received in good conditions.

The equipment used by the port can only handle one container at the time and have capacities of 30 tons and above.

The Mazatlan Port, ensures that ensure that equipment used to handle cyanide is suitable.

7.1.4. *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

Summarize the basis for this Finding/Deficiencies Identified:

This practice is not applicable to the Port. However, the port has a drugs and alcohol use prevention policy; no tests are performed but the workers are visually screened in the port access. Preventive maintenance of container handling equipment is performed on a monthly basis; preventive and corrective maintenance orders are recorded in individual files. Additionally, maintenance personnel perform visual inspections of the equipment prior to its use at the beginning of the work day.

As previously mentioned CyPlus has agreed with the Port and Custom authorities to avoid opening the containers at the port facility; these are open at the distribution center or the client site.

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7.1.5. 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 practice does not apply to the Port

7.1.6. 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

Summarize the basis for this Finding/Deficiencies Identified:

This practice does not apply to the Port.

7.2. INTERIM STORAGE: DESIGN, CONSTRUCT AND OPERATE CYANIDE TRANSSHIPPING DEPOTS AND INTERIM STORAGE SITES TO PREVENT RELEASES AND EXPOSURES.

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

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:

The port has designed a cyanide storage area. No warning signs were observed in the area; however, there is no personnel stationed in the area as it is not a warehouse. The cyanide remains in the ocean container; which is labeled with the UN number and the division number placards. The port employees have been

trained to identify the cyanide containers and the safety rules around them. The containers are not open at the port.

The perimeter of the port is fenced with cyclonic mesh and metal bars and security shed. The port also has CCTV surveillance.

The port has selected an area to store the cyanide containers where, besides cyanide, only empty containers are stored. No incompatible materials are stored nearby the cyanide interim storage. Additionally, the cyanide remains at all times in their packaging material and in their container. Therefore, it is considered that cyanide is protected from contact with incompatible materials.

Although cyanide is not stored under a roof, as previously noted, cyanide is kept in its packaging material (which includes plastic bags) and container. Therefore, it is considered that cyanide is protected from contact with water.

Although cyanide is not stored in closed areas, it is protected from contact with water. Therefore no ventilation is required to prevent build-up of hydrogen cyanide.

The port does not have secondary containment; however, cyanide is handled only in solid state within the container and approximately 150 meters away from the docks area and separated from that area by a warehouse.

7.3. EMERGENCY RESPONSE: PROTECT COMMUNITIES AND THE ENVIRONMENT THROUGH THE DEVELOPMENT OF EMERGENCY RESPONSE STRATEGIES AND CAPABILITIES.

7.3.1. 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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. CyPlus has provided copies of the Emergency Response Plan and training to the Port personnel. In case of an emergency related to cyanide at the port, the Port will follow CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this practice.

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Nonetheless, the port has its own emergency response program that covers:

- Fire
- Explosion
- Thievery
- Spill
- Among other emergencies.

The Port has an Emergency Response Brigade that receives training on an annual basis provided in-house. The brigades are trained in fire control, hazardous materials handling, among other topics. The role of the port brigade in case of a cyanide related emergency would be to isolate the area and prevent escalation.

The Mazatlan Port complies with the eight elements of the Transport Practice 3.1. CyPlus has prepared detailed emergency response plans for potential cyanide releases.

The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this requirement.

See section 2.3.1 for details on Cyplus compliance with this Practice.

7.3.2. *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:

According to CyPlus emergency response procedure, the emergency response brigades of CyPlus would be in charge of attending the emergency with support from the port personnel, who have received training from CyPlus specialized personnel in the emergency response procedures. The Plan describes the responsibilities of the port personnel. The training has been documented through attendance lists. Additionally, CyPlus has provided training to the Mazatlan municipal firefighters, the emergency response brigades from PEMEX's adjacent facility, and other external emergency responders that could cooperate during an emergency at the port.

The port has SCUBA units, tyvek suits, rubber boots, neoprene gloves, empty containers, shovels, a firefighter truck, class A suits, among other equipment which are inspected on a semiannual basis. This is additional to the equipment

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that would be brought to the port by CyPlus brigades. Additionally, CyPlus has provided two antidote kits to the Port.

As previously noted, the port brigades receive refreshment training at least annually. CyPlus trained the port personnel in October 2011 and has a training program that four training sessions from 2012 to 2013 for the port personnel (simultaneously with other parties).

As previously noted, the port inspects its emergency response equipment on a semiannual basis. The equipment used to respond to cyanide emergencies is controlled and inspected by Cyplus as described in section 3.3.2.

The Mazatlan port complies with the seven elements of the Transport Practice 3.2. CyPlus has designate response personnel and committed necessary resources for emergency response. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this requirement.

See section 2.3.2 for details on Cyplus compliance with this Practice.

7.3.3. *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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this practice.

The port complies with the two elements of the Transport Practice 3.3. CyPlus has developed procedures for internal and external emergency notification and reporting. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this requirement.

See section 2.3.3 for details on Cyplus compliance with this Practice.

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7.3.4. *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:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this practice.

The port complies with the two elements of the Transport Practice 3.4. CyPlus has developed procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the Port is in full compliance with this requirement.

See section 2.3.4 for details on Cyplus compliance with this Practice.

7.3.5. *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

Summarize the basis for this Finding/Deficiencies Identified:

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this Practice. CyPlus complies with the three elements of the Transport Practice 3.5. CyPlus periodically evaluates its emergency response procedures and capabilities and revises them as needed. The port follows CyPlus' Emergency Response Plan; therefore it is considered that the port is in full compliance with this requirement.

See section 2.3.5 for details on Cyplus compliance with this Practice.

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