

# SUMMARY AUDIT REPORT

Name of Cyanide Transportation Facility: PT Energy Logistics (PT. EL)

Name of Facility Owner: Mr Sardansyah Pulungan (President Director)

Name of Facility Operator: Mr Sardansyah Pulungan (President Director)

Name of Responsible Manager: Mr Gerard Quillien (Senior Technical Advisor)

Address: JL RS Fatmawati No 8, Gandaria Selatan

State/Province: Jakarta 124420

Country: Indonesia

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E-Mail: Gerard.quillien@energy-logistics.co.id

Location detail and description of operation:

## Overview

### Current approved scope of supply chain is as follows:

“The PT Energy Logistics Supply Chain includes transportation of solid sodium cyanide from the International Port of Surabaya (Terminal Petikemas Surabaya), Indonesia by road to the Domestic Port of Surabaya (Port of Perak), Indonesia by PT Hacaca Setio Abadi, sea transport from the Port of Perak to the Port of Bitung, Indonesia by PT Meratus Line and PT Tanto Intim Line. Interim storage at the Port of Bitung (Terminal Petikemas Bitung) and road transportation to mine sites by PT Energy Logistics.

Inclusion of sea transportation within the current approved supply chain:

Sea transportation from Port of Bitung interim storage (Terminal Petikemas Bitung) by PT Christine with LCT to gold mine located in Tanjung Barhamas Port.

**Scope of Pre-operational verification** (in accordance with in accordance with International Cyanide Management Institute – Cyanide Transportation Pre-operational Verification Protocol; Dec 2016)

Sea transportation from Port of Perak to Port of Bitung, Indonesia by PT Meratus Line and PT Tanto Intim Line. Road transportation from Port of Bitung interim storage (Terminal Petikemas Bitung) by PT Christine with LCT to gold mine located in Tanjung Barnabas Port. At the point of pre-operational audit and till date, PT Energy has not commenced any cyanide sea transportation to gold mine located in Tanjung Barnabas.

Name of Facility: PT Energy Logistics      Signature of Lead Auditor

& Technical Expert

Date  
6 Aug 2018



# SUMMARY AUDIT REPORT

## **Auditor's Finding**

This operation is

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

with the International Cyanide Management Code.

## **Scope of Pre-operational Verification Audit**

Sea transportation from Port of Perak to Port of Bitung, Indonesia by PT Meratus Line and PT Tanto Intim Line. Road transportation from Port of Bitung interim storage (Terminal Petikemas Bitung) by PT Christine with LCT to gold mine located in Tanjung Barnabas Port. At the point of pre-operational audit and till date, PT Energy has not commenced any cyanide sea transportation to gold mine located in Tanjung Barnabas.

Audit Company: Danny Tan

Audit Team Leader and Technical Expert: Mr Danny Tan

E-mail: dannytan163@yahoo.com.sg

Names and Signatures of Other Auditors:

Date(s) of Audit: Audit Dates: 17 to 18 May 2018

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 pre-operational verification audit. I further attest that the pre-operational verification audit was conducted in a professional manner in accordance with the International Cyanide Management Code Pre-operational Verification Protocol for Cyanide Transportation Operations and using standard and accepted practices for health, safety and environmental audits.

Name of Facility: PT Energy Logistics

Signature of Lead Auditor

Date  
6 Aug 2018

& Technical Expert



# SUMMARY AUDIT REPORT

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

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

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

[Sea Transportation \(Bitung domestic seaport to NHM mine site\)](#)

PT Energy (PT EL) subcontracts sea transportation from Port of Bitung to Tanjung Barnabas Port via Landing Craft Tank (LCTs) operated by PT Christine Lines. There are no known regulations pertaining to sea transportation of cyanide products but SOLAS regulations for safe sea passage is applicable. NHM will take over the responsibility once the cyanide shipments via LCTs arrived at the Tanjung Barnabas Port.

A specific risk assessment was conducted dated 22 May 2018 covering risk areas such as loading of cyanide containers onto LCT, sea voyage risk and meeting Indonesian maritime authority (BKI) regulations for sea transportation from Bitung interim storage (Terminal Petikemas Bitung) by PT Christine with LCT to gold mine located in Tanjung Barnabas Port. Till date, PT Energy has not commenced any cyanide sea transportation to gold mine located in Tanjung Barnabas.

Name of Facility: PT Energy Logistics

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6 Aug 2018

& Technical Expert



# SUMMARY AUDIT REPORT

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 1.2

not in compliance with

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

[Sea Transportation \(Bitung domestic seaport to NHM mine site\)](#)

PT EL subcontracts sea transportation from Port of Bitung to Tanjung Barnabas Port via Landing Craft Tank (LCTs) by PT Christine Lines Training was conducted on 19 May 2018 as per procedure MP-CMS-12 for LCT crew conducted Due diligence procedure in place to ensure that subcontractors continue to make compliance with ICMC requirements pertaining to sea crews were trained on the specifics of cyanide handling and transportation on an annual basis.

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# SUMMARY AUDIT REPORT

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 1.3

not in compliance with

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

Sea worthiness for LCT CALVIN 08 operated by PT Christine Lines were verified by Indonesian maritime Authority (BKI) since 2014.

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# SUMMARY AUDIT REPORT

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 1.4

not in compliance with

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

[Sea Transportation \(Bitung domestic seaport to NHM mine site\)](#)

PT EL subcontracts sea transportation from Port of Bitung to Tanjung Barnabas Port via Landing Craft Tank (LCTs) operated by PT Christine Lines. Due diligence procedures as reflected in MP-CMS-04 Tracking and Communications to ensure that LCT comply with ICMI transport practice 1.4.

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 1.5

not in compliance with

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

Due diligence investigations (DDI) report was conducted for LCT Operations on 25 Feb 2018. Based on the review of DDI report and subsequent follow up clarifications, PT Christine met the requirements of IMDG code (Indonesia Port Regulations – BKI) dated 6 Jul 2018.

Verifications for compliance will be conducted once PT. EL commenced cyanide sea transportation with LCT.

PT. EL does not transport cyanide by air transportation.



# SUMMARY AUDIT REPORT

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 1.6

not in compliance with

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

**(Due to the sensitivity of security issues regarding storage of cyanide, no descriptions of substantial or non-compliance with this aspect of the Transport Practice should be provided.)**

[Sea Transportation \(Bitung domestic seaport to NHM mine site\)](#)

PT EL subcontracts sea transportation from Port of Bitung to Tanjung Barnabas Port via Landing Craft Tank (LCTs) operated by PT Christine Lines. Due diligence procedures in place in MP-CMS-04 Tracking and Communications outline the respective procedures and processes to track shipments to prevent losses during transport. sites.

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# SUMMARY AUDIT REPORT

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

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 2.1

not in compliance with

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

Not applicable as this transport practice is being addressed in approved current scope of supply chain.

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# SUMMARY AUDIT REPORT

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

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 3.1

not in compliance with

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

[Sea Transportation \(Bitung domestic seaport to NHM mine site\)](#)

MP-CMS-10 Emergency Response Plan

Established emergency response plan (ERP) for applicable risk scenarios was established as follows:

- Spill in containers
- Sea container's contamination in sea containers
- handling work

The above identified risk scenarios were clearly aligned with identified risk areas in the specific sea transportation risk assessment.

Respective classifications of incidents correspond with incident response structure resulting from the outputs provided by the PT. EL hazard risk assessment.

PT. EL ERP taking into accounts the physical and chemical form of cyanide during accidental release and plans are reflective to provide due considerations.

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 3.2

not in compliance with

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

[Sea Transportation \(Bitung domestic seaport to NHM mine site\)](#)

PT. EL conducted joint training on 19 May 2018 covering the characteristics, handling of cyanide during sea transportation and usage of personal protective equipment.

Emergency Response Training is being planned to be conducted in the fourth quarter of 2018 as per verified schedule in PT. EL procedure ERP (Cynaide Transport Emergency Response Plan Procedure – MP/CMS/10).

PT. EL jointly established specific emergency response duties and responsibilities of personnel as part of overall ERP plan. The incident response structure is common to all three nodes of supply chain in order to have an effective and timely ERP response in the event of occurrence of incident.

List of equipment is being reflected within the associated checklist and verified with LCT Master/crew prior to departure.

Emergency response equipment and Personal Protective Equipment reflected within the associated checklist for prior to departure for sea transportation.



# SUMMARY AUDIT REPORT

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 3.3

not in compliance with

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

[Sea Transportation \(Bitung domestic seaport to NHM mine site\)](#)

Procedures established for notification of PT, EL and external response providers. (Reference – PT, EL procedure ERP (Cynaide Transport Emergency Response Plan Procedure – MP/CMS/10). Systems are in place to ensure that internal and external emergency notification and reporting procedures are kept current such as provision for review of ERP and periodic update of contact information for both internal and external responders such as emergency responders such as police, hospital, community and mine representatives.

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# SUMMARY AUDIT REPORT

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 3.4

not in compliance with

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

[Sea Transportation \(Bitung domestic seaport to NHM mine site\)](#)

PT. EL had a list of external responders (Cynaide Transport Emergency Response Plan Procedure – MP/CMS/10) covering the various aspects of recovery within LCT's control or disposal of spill clean debris.

Procedure is being established in prohibiting the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water (Cynaide Transport Emergency Response Plan Procedure – MP/CMS/10).

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 3.5

not in compliance with

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

[Sea Transportation \(Bitung domestic seaport to NHM mine site\)](#)

PT. EL make provisions for periodically reviewing and evaluating established ERP continual adequacy to identified hazards and probable scenarios. Cyanide emergency response drill schedule was drawn up for to validate ERP effective in cyanide spills.

Emergency Response Training is being planned to be conducted in the fourth quarter of 2018 as per verified schedule in PT. EL procedure ERP (Cynaide Transport Emergency Response Plan Procedure – MP/CMS/10).

PT. EL had established procedure to evaluate ERP performance, which is at least once a year after its implementation and made revision to ERP if deemed necessary.

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