INTERNATIONAL CYANIDE MANAGEMENT INSTITUTE

Cyanide Transportation

Summary Audit Report Form

March 17-18, 2009

Transportes Niquini Ltda
SUMMARY AUDIT REPORT

Name of Cyanide Transportation Facility: Transportes Niquini Ltda
Name of Facility Owner: Transportes Niquini Ltda
Name of Facility Operator: Transportes Niquini Ltda
Name of Responsible Manager: Dário de Souza Niquini
Address: BR381, Km 4,8 – Jardim Piemont - Betim
State/Province: Minas Gerais
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Location detail and description of operation:

“Transportes Niquini Company”, from now on called “Niquini”, is located in Betim city, which is about 30 Km from Belo Horizonte, the capital of Minas Gerais State, Brazil.

Niquini has its own installations, where there are offices, a parking place, installations for washing and lubricating trucks, and tire maintenance services.

Niquini has its own fleet, with 16 trucks, trademark Volvo, Mercedez Benz and Scania, which are specific for cyanide transportation.

Niquini neither handles cyanide containers, nor stores containers in its installations. Cyanide shipment in Niquini’s trucks is performed by the teams that work at the ports and by the employees of the final customers in their own companies.
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Auditor's Finding

This operation is

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

with the International Cyanide Management Code.

Audit Company: NCA – NOSA South America Ltda, Brazil
Audit Team Leader: Julio C. M. Monteiro, e-mail: juliommonteiro@nosa.com.br
Other Auditors: Eberson Cássio de Andrade and Marcelo Monteiro (specialist)

Date(s) of Audit: 17 e 18 de março de 2009

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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Signature of Lead Auditor

Date

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

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

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

Summarize the basis for this Finding/Deficiencies Identified:
There is a Route Planning Procedure considering population density, infrastructure (roadway, rail, port, runway, helipad), construction and condition, Pitch and grade and Prevelance and proximity of water bodies and fog. This procedure considers that a risk evaluation must be performed previously the route definitions. This procedure defines that “the risk reevaluation of the routes will be accomplished through information receiving by the drivers about the routes” and this information will be registered in the book “DDS” (Daily Safety Dialogue). The achievement of Niquini’s descriptions routegrams was performed by SOS COTEC, which is a 28-year-old company nationally recognized and specialized in emergency management in national and international transportation of hazardous chemical products. Niquini uses SOS COTEC services for crises management, and there are evidences indicating it has established contact with communities potentially affected by accidents related to the transportation of cyanide, or governmental agencies along the route. SOS COTEC issues a document to all agencies and stakeholders along the route, warning them about the transportation and requesting in case of an emergency.

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 X in full compliance with
in substantial compliance with Transport Practice 1.2
not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:
Niquini only performs cyanide transportation from the port to the customer company. All the activities related to cyanide loading, handling and unloading are performed by port employees and customer companies. So, these trainings are not applied for Niquini’s employees, once they do not perform this kind of activities. There is a qualification planning that includes hazardous products handling, emergency procedures, previous risk analyses and others. There are evidences of
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driver's qualification related to hazardous chemical products, including sodium cyanide.
The contractor ANSA MECÂNICA DIESEL LTDA performs maintenance services only for
trucks. The tasks are performed according to the manufacturer guides.
Before contracting the emergency response company SOS COTEC, Niquini delivered, as part of
documentation, the cyanide Material Safety Data Sheet (MSDS) to inform the risks of this
product and the action to be taken in case of an emergency.
Niquini's requirements regarding licensing of its drivers were checked and found in compliance.
Niquini trains its drivers in defensive driving and safe operation.

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

The operation is
X in full compliance with
in substantial compliance with
not in compliance with

Transport Practice 1.3

Summarize the basis for this Finding/Deficiencies Identified:
Niquini does not subcontract any cyanide transportation, as well as it does not perform cyanide
handling.
The equipments loading capacity was verified by checking the documents “Register Certificate
and Vehicle Licensing” – DETRAN (Traffic Department) / MG (Minas Gerais State). There is no
mechanics department at Niquini and preventive maintenance is made by authorized companies.
There is a current contract with “Mecanica Ansalone Company” for corrective maintenances,
which includes that Niquini’s procedures must be followed. The document PNO-08 – “Vehicle
Maintenance Procedure” – rev02 describes how this maintenance is to be performed.
There are previous check-lists inspections called “General Inspection”. This document includes
the trucks accessories, the evaluation of carried weight and others. The mandatory of performing
the inspection is expressed at a document named SASSMAQ (Evaluation System for Safety,
Health, Environment and Quality), page 17.
The “Driver’s Guide” evidenced an item that compels the drivers to confer the transported
tonnage to check if it suits the truck’s capacity.

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

The operation is
X in full compliance with
in substantial compliance with
not in compliance with

Transport Practice 1.4

Summarize the basis for this Finding/Deficiencies Identified:
Niquini does not handle cyanide packing, but only transports closed containers. Safety labels are
already glued to the container, so Niquini only needs to insert a sign on the trucks’ front with
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description 66 (extremely toxic) and 1689 (UN number to define cyanide).
There is a list signed by all drivers containing the transportation safe schedule, including resting
time.
The load is inserted in containers and it is fixed to the tow through a bolt Link. Item 4 in the
“Driver’s Guide”, presents a procedure to be adopted in case of weather problems or other
adverse situations.

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

The operation is X 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 standard practice does not apply to Niquini, since this company only engages in ground
transportation.

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

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

Summarize the basis for this Finding/Deficiencies Identified: (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.)
There is an Auto-Trac system (satellite tracking and message system) in every truck. It is
formally established that each vehicle must be equipped with this tracking and communications
system. Auto-Trac system uses satellite communication, which guarantees signal in every part of
the transportation route, which eliminates the requirement of developing additional procedures to
manage situations where there is a lack of communications.
Cyanide shipments transported by Niquini are non-stop (detentions). A document establishes that
upon arriving to the destination, the receiver (customer) must check the cyanide load and sign the
“CTRC” (Road Transportation Load Form), indicating acceptance of the cyanide shipment and
that it is in perfect conditions.
A document establishes that the driver must pursue the information indicating the amount of
cyanide in transit and Material Safety Data Sheets, and it also establishes that if this information
is not available, the transportation can not be started.

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Niquini does not subcontract any cyanide transportation.

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.

- X in full compliance with
- in substantial compliance with
- not in compliance with *Transport Practice 2.1*

*Summarize the basis for this Finding/Deficiencies Identified*
This item is not applied to Niquini, since it does not store cyanide temporally, but only performs the transportation.

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.

- X in full compliance with
- in substantial compliance with
- not in compliance with *Transport Practice 3.1*

*Summarize the basis for this Finding/Deficiencies Identified:*
The emergency plan was developed exclusively for the transportation of sodium cyanide from the port of Santos to AGAM’s units in Brazil. It considers the physical and chemical form of the cyanide, the method of transport, all aspects of the transport infrastructure, as well as the design of the transport vehicle (a 20 or 40-foot container attached to the cart through 4 PinLocks). The emergency plan describes what to do in case of leakages—how to use warning signs, how to control, and it also states the prohibition to use some chemicals to neutralize cyanide spills over superficial waters.
An item in the emergency plan defines the roles of outside responders, medical facilities in emergency response procedures.

*Transport Practice 3.2:* Designate appropriate response personnel and commit necessary resources for emergency response.
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The operation is X in full compliance with
in substantial compliance with Transport Practice 3.2
not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:
The drivers were trained at Niquini’s general emergency plan. The specific emergency plan related to cyanide transportation was revised and the drivers who transport cyanide were trained in it.
There are descriptions of the specific emergency response duties and responsibilities of personnel in the emergency plan.
Niquini has a list of all items that must be part of the emergency Kit inside every truck and all these items, including personal protective equipment were found available.
A procedure requires the performance of mandatory vehicle inspections prior to any transportation.
A Training Plan establishes the dates for initial and refreshing training covering some of the most important areas related to the transportation of hazardous products, including training on the Emergency Plan.
Niquini does not subcontract any of the cyanide handling or transportation.

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

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

Summarize the basis for this Finding/Deficiencies Identified:
Niquini’s emergency attendance plan presents a list with information of people and external aid contact that must be called in case of emergency.
The “Driver’s Guide” establishes that the emergency plan must be revised annually or immediately after the occurrence of any emergency, and it is specifically established that contact information must be annually updated to ensure their validity.

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

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

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Summarize the basis for this Finding/Deficiencies Identified:
The specific emergency plan for sodium cyanide transportation, item 5, considers the acitons that the driver must adopt to stop little cyanide spills until external aid arrives to manage the crisis. The emergency plan establishes the prohibition to use chemicals such as sodium hypochlorite, ferrous sulfate, and hydrogen peroxide to treat cyanide that has been released into surface waters.

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

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

Summarize the basis for this Finding/Deficiencies Identified:
The Emergency Plan has a procedure establishing its annual review.
Niquini’s participation was evidenced in a drill performed by a client, Anglogold Ashanti on October, 15th 2008, and its outcome was considered satisfactory.
The document “Driver’s Guide” establishes that Niquini will take part in all emergency drills along with its clients, when they are conducted.
The Emergency Response Plan established that it must be evaluated after its implementation and in an annual basis.

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