INTERNATIONAL CYANIDE MANAGEMENT INSTITUTE

Cyanide Transportation Pre-Operational Verification Summary Audit Report

For the International Cyanide Management Code

Sedres Maritime Company Ltd

02 March 2017
Sedres Maritime Company Ltd

Name of Cyanide Transport Facility: Sedres Maritime Company Ltd
Name of Facility Owner: Sedres Maritime Company Ltd
Name of Facility Operator: Sedres Maritime Company Ltd
Name of Responsible Manager: Mr. Lalith Kodagoda / Operation Manager
Address: P.O. Box 10990, Support Industrial City, Area I, North, Road No 118, Jubail Industrial City 31961
Country: Kingdom of Saudi Arabia
Telephone: 966 (0) 13 3400058  Fax: 966 (0) 13 3400058  E-Mail: lalith@sedres.net
Website: www.sedres.net

Location detail and description of operation:
The Sedres Maritime Company Ltd was established during 1993 year. The head office is located in Jubail Industrial City in Kingdom of Saudi Arabia. The Sedres Maritime Company Ltd have maintained several businesses as trading, shipping and transportation.
The Sedres Maritime Company Ltd is making direct agreement with Samsung C&T Corporation for the transportation of sodium cyanide from Jeddah Islamic Sea Port and King Abdullah Sea Port in Kingdom of Saudi Arabia to gold mining sites in Kingdom of Saudi Arabia. According to direct agreement with Samsung C&T Corporation, the Sedres Maritime Company Ltd will operate interim storage area in Kingdom of Saudi Arabia.
The Samsung C&T Corporation and gold mining sites in Kingdom of Saudi Arabia have requested to the Sedres Maritime Company Ltd for the implementation and certification of ICMC. However the Sedres Maritime Company Ltd have no experience for the sodium cyanide transportation and operation of interim storage area.
So the Sedres Maritime Company applied ICMC signatory. And they prepared transport management plan, risk assessment plan and emergency response plan with the reflection of ICMC transportation requirements and requested ICMC pre-operational certification. After completion of ICMC pre-operational certification, the Sedres Maritime Company will start the roadway transportation of sodium cyanide from ports to goldmining sites in Kingdom of Saudi Arabia. And with experience related to sodium cyanide transportation and operation of interim storage area, the Sedres Maritime Company Ltd will apply ICMC certification.
Sedres Maritime Company Ltd

Auditor’s Findings

This operation is

X in full compliance
in substantial compliance
not in compliance

with the International Cyanide Management Code.

Audit Company : 3 Points Co., Ltd.
Audit Team Leader : Mr. Sang-Ho Ahn
E-mail: triplepoint@naver.com
Dates of Audit : 25 February, 01 and 02 March 2017

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 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.

Sedres Maritime Company Ltd

Name of Transporter

Lead Auditor Signature

02 March 2017

Date
Sedres Maritime Company Ltd

I. 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 with Transport Practice 1.1

<table>
<thead>
<tr>
<th>X in full compliance with</th>
</tr>
</thead>
<tbody>
<tr>
<td>in substantial compliance</td>
</tr>
<tr>
<td>not in compliance with</td>
</tr>
</tbody>
</table>

Summarize the basis for this Finding/Deficiencies Identified:

The Sedres Maritime Company Ltd is making contract with Samsung C&T Corporation for the roadway transportation of sodium cyanide from Jeddah Islamic Sea Port and King Abdullah Sea Port to gold mining sites in Kingdom of Saudi Arabia.

The Sedres Maritime Company Ltd prepared the Transport Management Plan to control the roadway transportation and storage of sodium cyanide. In the plan, the process of route selection for sodium cyanide transportation and control process were defined. According to the plan, they shall check the possible routes from the Jeddah Islamic Sea Port and King Abdullah Sea Port to gold mining sites in Kingdom of Saudi Arabia. During the selection of cyanide transportation route, they shall consider detail items as population density, infrastructure, pitch, grade, prevalence and proximity of water and fog. According to the Transport Management Plan, the Sedres Maritime Company Ltd shall reevaluate the roadway transportation routes every year periodically. And for some changes related to route infrastructure, road condition and legal requirement, they shall reevaluate non-periodically. And also the process for getting feedback on route condition from driver, reviewing the information and preparation of additional control measure were defined in the plan.

The Sedres Maritime Company Ltd prepared Route Risk Assessment Plan. The processes of hazard identification and risk assessment were defined in plan. According to the plan, likelihood and consequences shall be evaluated for identified hazards. And then they shall determine risk level for each identified hazards according to evaluation matrix. According to the plan, they shall prepare and implement control measure for hazards graded as high risks. According to the route risk assessment plan, the control measure for hazards graded as high risks shall be documented, informed and trained to employee as truck drivers.

The Sedres Maritime Company Ltd identified relevant communities, stakeholders, government agencies, customer Samsung C&T Corporation, Port Gate International, Custom Broker, Fire Service Agency, Police, Environment Protection Agency, medical providers and mining sites in Kingdom of Saudi Arabia. Those relevant bodies were reflected to contact list.

According to the Transport Management Plan, the Sedres Maritime Company Ltd shall seek and consider the input from above relevant bodies in the selection of roadway transportation routes and development of control measures. The use of convoy including detail process of convoy, role and responsibility of convoy leader were reflected to the plan.

The Sedres Maritime Company Ltd prepared Emergency Response Plan. The roles and responsibilities of external responders during emergency situation were defined and advised to relevant external responder according to the emergency response plan.

The Sedres Maritime Company Ltd do not use subcontractor for the roadway transportation of sodium cyanide.

Sedres Maritime Company Ltd

Name of Transporter

Lead Auditor Signature

Page 4 / 10

Date 02 March 2017
Sedres Maritime Company Ltd

cyanide from ports to mining sites in in Kingdom of Saudi Arabia.

*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:*

The Sedres Maritime Company Ltd prepared the Transport Management Plan to control the roadway transportation and storage of sodium cyanide. According to the plan, the operators need to have effective licenses permitted by national agency and receive safety training. The operators as truck driver and forklift operator need to receive training related to sodium cyanide safety issues as property, emergency preparedness for cyanide release and exposure before conducting their transportation, loading and unloading works. And also the operators shall receive refresh training 6 monthly base.

*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 Transport Practice 1.3
not in compliance with

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

The Sedres Maritime Company Ltd prepared the Transport Management Plan to control the roadway transportation and storage of sodium cyanide. According to the plan, the Sedres Maritime Company Ltd shall use trucks and trailers originally designed for roadway transportation. They shall inspect trucks and trailers to verify the adequacy of transportation equipment. And also the prevention of overloading was defined in the plan and prohibited by legal requirement of Kingdom of Saudi Arabia.

*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 Transport Practice 1.4
not in compliance with

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

The Sedres Maritime Company Ltd prepared the Transport Management Plan to control the roadway transportation and storage of sodium cyanide. According to the plan, the operators shall maintain the integrity of producer’s packaging. According to the plan they shall transport the sodium cyanide
containers on which the marks of toxic chemical presence were attached by producer and the marks shall be easily identified during transportation.

And also they shall implement the safety program defined in the plan including vehicle inspection prior to departure, preventive maintenance, limitation of driver’s working hour, prevention of loads from shifting, modification or suspension of transportation during severe weather condition or civil unrest, drug abuse prevention program and retention of record.

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
not in compliance with

with Transport Practice 1.5

Summarize the basis for this Finding/Deficiencies Identified:

The Sedres Maritime Company Ltd do not operate the sea and air transportation for sodium cyanide. So the transportation practice 1.5 is not actually applicable.

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

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

with Transport Practice 1.6

Summarize the basis for this Finding/Deficiencies Identified:

The Sedres Maritime Company Ltd prepared the Transport Management Plan to control the roadway transportation and storage of sodium cyanide. According to the plan, the drivers shall maintain effective communication equipment and the communication equipment shall be tested periodically.

The Sedres Maritime Company Ltd completed the route survey and risk assessment for the sodium cyanide transportation from ports to mining sites in Kingdom Saudi Arabia. During the survey and risk assessment, they have not found any communication blackout areas along the transportation routes in Kingdom Saudi Arabia. According to Risk Assessment Plan, the Sedres Maritime Company Ltd shall identify communication blackout area before the start of sodium cyanide transportation business.

According to the Transport Management Plan, the Sedres Maritime Company Ltd shall maintain inventory control system to track the progress and prevent the loss of sodium cyanide during transportation from ports to mining sites in Kingdom of Saudi Arabia. And also they shall maintain sodium cyanide transportation records including transportation date, amount, truck and trailer number, drivers, ports and mining sites. The drivers shall maintain Material Safety Data Sheet during sodium cyanide transportation.

Sedres Maritime Company Ltd

Name of Transporter

Lead Auditor Signature

02 March 2017

Date

Page 6 / 10
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.

<table>
<thead>
<tr>
<th>X in full compliance with</th>
<th>with Transport Practice 2.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>The operation is</td>
<td>in substantial compliance</td>
</tr>
<tr>
<td></td>
<td>not in compliance with</td>
</tr>
</tbody>
</table>

Summarize the basis for this Finding/Deficiencies Identified:

The Sedres Maritime Company Ltd prepared the Transport Management Plan to control the roadway transportation and storage of sodium cyanide. According to the plan, they shall post warning sign including sodium cyanide presence, prohibit of heating, smoking, eating and drinking, wearing of personnel protective equipment and maintain Material Safety Data Sheet around the interim storage area. And also they shall install high parapet wall, maintain CCTV camera monitoring system and locking system to interim storage area.

According to the Transport Management Plan, the Sedres Maritime Company Ltd shall separate chemicals as acids and strong oxidizer, explosives and heat from the interim storage area of sodium cyanide. They shall install high parapet wall around sodium cyanide interim storage area to prevent contact and mixing with incompatible materials.

According to the Transport Management Plan, the Sedres Maritime Company Ltd shall maintain sodium cyanide boxes in warehouse. The warehouse shall be covered with duly built and fully covered roof and maintain ventilation system to prevent the build-up of hydrogen cyanide gas. And also they shall maintain sodium cyanide containers off the ground using pallets to prevent the potential for contact with water. They shall maintain sodium cyanide in interim storage area and warehouse of which the capacity shall be enough to contain spilled sodium cyanide and to minimize the extent of release.
Sedres Maritime Company Ltd

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

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

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

Summarize the basis for this Finding/Deficiencies Identified:

The Sedres Maritime Company Ltd developed and maintain Emergency Response Plan appropriate for sodium cyanide transportation from ports to mining sites and interim storage in Kingdom of Saudi Arabia. Such items as what they should do, wearing of personnel protective equipment, using of treatment equipment for spilled sodium cyanide, communication channel and relevant external responders were defined in the emergency response plan.

During the development of emergency response plan, the Sedres Maritime Company Ltd considered the transportation and storage of solid sodium cyanide packaged in film and box and transported in container, roadway transportation by trucks and trailers, the infrastructure of roadway transportation routes and use of double walled transportation trucks and trailers.

The Sedres Maritime Company Ltd developed emergency response plan including description of detail response actions including starting to finalizing the emergency situation, responsibility and relevant external responders in the emergency response plan. The roles of outside responders as relevant communities, stakeholders, government agencies, customer Samsung C&T Corporation, Port Gate International, Custom Broker, Fire Service Agency, Police, Environment Protection Agency, medical providers and mining sites in Kingdom of Saudi Arabia were reflected to the emergency response plan.

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

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 Sedres Maritime Company Ltd prepared the Transport Management Plan and Emergency Response Plan to control the roadway transportation and storage of sodium cyanide. According to the plans, the Sedres Maritime Company Ltd shall provide training periodically including initial training to new employees and periodic refresher training to existing employees including drivers for the implementation of emergency response plan.

The duties and responsibilities of drivers, convoy leader, head office manager, team leader, team

Sedres Maritime Company Ltd

02 March 2017

Name of Transporter

Lead Auditor Signature

Date
Sedres Maritime Company Ltd

member, other relevant team, outside responders and external agency were reflected to the emergency response plan.

The list of emergency response equipment such as personnel protective equipment and treatment equipment for the case roadway transportation routes were reflected to the emergency response plan. According to the emergency response plan, the drivers shall maintain emergency response equipment and personnel protective equipment as in list in trucks and trailers during transportation of sodium cyanide. And also the drivers and convoy leader shall inspect emergency response equipment and assure its availability before departure of sodium cyanide 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:

The notification of emergency to relevant bodies and maintenance of current information were defined in the Transport Management Plan and Emergency Response Plan. The outside responders as customer Samsung C&T Corporation, Port Gate International, Custom Broker, Fire Service Agency, Police, Environment Protection Agency, medical providers and mining sites in Kingdom of Saudi Arabia were reflected to the emergency contact list in emergency response plan.

According to the transport management plan and emergency response plan, the Sedres Maritime Company Ltd shall check periodically the outsider responder information as contact person, name, telephone number, etc. and maintain the information as up to date. And also they shall keep current the internal and external emergency notification and reporting procedure.

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

Summarize the basis for this Finding/Deficiencies Identified:

The Sedres Maritime Company Ltd developed Emergency Response Plan. The remediation as recovery, neutralization of water and solution protect for released sodium cyanide, decontamination of soil and water, control and disposal of wastes were defined in the emergency response plan. And also the prohibit of the use of sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat sodium cyanide that has been released into surface water was defined in the transport management plan and emergency response plan.

Sedres Maritime Company Ltd

02 March 2017

Name of Transporter
Lead Auditor Signature
Page 9 / 10
Sedres Maritime Company Ltd

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

The operation is

X in full compliance with
in substantial compliance
not in compliance with

with Transport Practice 3.5

Summarize the basis for this Finding/Deficiencies Identified:

The Sedres Maritime Company Ltd prepared the Transport Management Plan and Emergency Response Plan to control the roadway transportation and storage of sodium cyanide. According to transport management plan, they shall review and evaluate the adequacy and implementation of emergency response plan every year. And also they shall plan and implement mock emergency drill every year. They shall evaluate the performance of emergency response plan every year and after the application to actual emergency situation. And also they shall revise the emergency response plan as needed.