

VERASAY LTDA

## *Cyanide Code Audit*

## *Summary Audit Report*

PROJECT NO. 0306752

SEPTEMBER 2015

## TABLE OF CONTENTS

<b>1.</b>	<b>GENERAL SUMMARY</b>	<b>1</b>
1.1.	INFORMATION ON THE AUDITED OPERATION	1
	OVERALL AUDITOR'S FINDING	3
<b>2.</b>	<b>VERASAY AS DISTRIBUTION CENTER</b>	<b>4</b>
2.1.	OPERATIONS PRACTICE 1. DESIGN, CONSTRUCT AND OPERATE CYANIDE PRODUCTION FACILITIES TO PREVENT RELEASE OF CYANIDE	4
2.1.1	Production Practice 1.1: Design and construct cyanide production facilities consistent with sound, accepted engineering practices and quality control/quality assurance procedures.	4
2.1.2	Production Practice 1.2: Develop and implement plans and procedures to operate cyanide production facilities in a manner that prevents accidental releases.	4
2.1.3	Production Practice 1.3: Inspect cyanide production facilities to ensure their integrity and prevent accidental releases.	5
2.2.	WORK SAFETY: PROTECT WORKER'S HEALTH AND SAFETY FROM EXPOSURE TO CYANIDE	7
2.2.1	Production Practice 2.1: Develop and implement procedures to protect plant personnel from exposure to cyanide	7
2.2.2	Production Practice 2.2: Develop and implement plans and procedures for rapid and effective response to cyanide exposure.	8
2.3.	MONITORING: ENSURE THAT PROCESS CONTROLS ARE PROTECTIVE OF THE ENVIRONMENT.	9
2.3.1	Production Practice 3.1: Conduct environmental monitoring to confirm that planned or unplanned releases of cyanide do not result in adverse impacts.	9
2.4.	TRAINING: TRAIN WORKERS AND EMERGENCY RESPONSE PERSONNEL TO MANAGE CYANIDE IN A SAFE AND ENVIRONMENTALLY PROTECTIVE MANNER.	10
2.4.1	Production Practice 4.1: Train employees to operate the plant in a manner that minimizes the potential for cyanide exposures and releases	10
2.4.2	Production Practice 4.2: Train employees to respond to cyanide exposures and releases.	11
2.5.	EMERGENCY RESPONSE: PROTECT COMMUNITIES AND THE ENVIRONMENT THROUGH THE DEVELOPMENT OF EMERGENCY RESPONSE STRATEGIES AND CAPABILITIES	11
2.5.1	Production Practice 5.1: Prepare detailed emergency response plans for potential cyanide releases	11
2.5.2	Production Practice 5.2: Involve site personnel and stakeholders in the planning process	12

<b>2.5.3</b>	<b>Production Practice 5.3: Designate appropriate personnel and commit necessary equipment and resources for emergency response</b>	<b>12</b>
<b>2.5.4</b>	<b>Production Practice 5.4: Develop procedures for internal and external emergency notification and reporting</b>	<b>13</b>
<b>2.5.5</b>	<b>Production Practice 5.5: Incorporate into response plans and remediation measures monitoring levels that account for the additional hazards of using cyanide treatment chemicals</b>	<b>14</b>
<b>2.5.6</b>	<b>Production Practice 5.6: Periodically evaluate response procedures and capabilities and revise them as needed</b>	<b>14</b>

1. GENERAL SUMMARY

1.1. INFORMATION ON THE AUDITED OPERATION

Name of Cyanide Transportation Facility: Verasay LTDA  
Name of Facility Owner: Verasay LTDA  
Name of Facility Operator: Verasay LTDA  
Name of Responsible Manager: Mr. Roberto Contreras  
Address: Avenida del Cobre, Lote PA-471, CITEN La Negra  
State/Province: Antofagasta Country: Chile  
Telephone (55) 2893531 Fax:  
E-Mail: [rcontreras@verasay.cl](mailto:rcontreras@verasay.cl)

Location detail and description of operation:

Verasay Ltda (hereinafter called Verasay) is a Cyanide Code Certified transporter of sodium cyanide in solid state (briquettes) in Chile that owns a cyanide storage facility known as La Negra (hereinafter called La Negra), located in an industrial park at Antofagasta, Chile. Currently, Verasay supplies sodium cyanide to several mines in Chile.

This audit comprises the cyanide reception operations and warehousing operations of the La Negra site as an addition to Verasay's cyanide transport operations.

Cyanide is produced by Code-certified production facilities and transported to and from La Negra by Verasay through their certified transport operations; finally, cyanide is destined for use at Code-certified gold mines.

La Negra operations involve the reception and storage of solid cyanide in ocean containers. Cyanide is packaged in a poly propylene super-sack filled up to 1 ton; a secondary package is a polyethylene liner that protects cyanide from humidity and water exposure. The super-sack is protected by a wooden box. Ocean containers are transported to La Negra by Verasay through their certified transport operations. Each ocean container has 20 wooden boxes. If required, the ocean containers owned by the ocean carrier are opened and the 20 wooden boxes are transferred to the Verasay owned ocean containers. The wooden boxes and ocean containers are unloaded using a forklift owned and operated by Verasay. The forklift only operates inside the La Negra site.

Unloaded ocean containers are stored on a concrete slap floor. Ocean containers are distributed in columns and rows. No more than three ocean containers are stacked per column. Additionally, space between rows is the minimal required for allowing forklift maneuvers. Ocean containers are stored facing each other, with a small space in between. This is done to prevent doors from opening and releasing cyanide contents.

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

La Negra comprises a cyanide storage area, offices, security booth, bathrooms, and a warehouse for the emergency response equipment. The industrial park, where the La Negra is located, does not have sewer or water supply systems.

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

**OVERALL AUDITOR'S FINDING**

This operation is

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

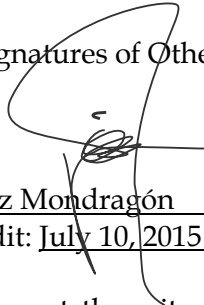
with the International Cyanide Management Code.

\* 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 López E-mail: [juancarlos.rangel@erm.com](mailto:juancarlos.rangel@erm.com)

Names and Signatures of Other Auditors:



Jaime Martínez Mondragón



Beatriz Valencia

Date(s) of Audit: July 10, 2015

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.

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

2. **VERASAY AS DISTRIBUTION CENTER**

This operation is

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

with the International Cyanide Management Code

2.1. **OPERATIONS PRACTICE 1. DESIGN, CONSTRUCT AND OPERATE CYANIDE PRODUCTION FACILITIES TO PREVENT RELEASE OF CYANIDE**

2.1.1 **Production Practice 1.1: Design and construct cyanide production facilities consistent with sound, accepted engineering practices and quality control/quality assurance procedures.**

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:*

Cyanide is stored inside the La Negra site. The cyanide storage area occupies an area of approximately 4,000 m<sup>2</sup>. It is constructed with concrete slab floor without roofing.

Verasay maintains the quality certificate No. 15-Lab.-09/11/Hormigon for the concrete used to construct the floor of the cyanide storage area. Concrete quality certificate was granted by Vecchiola, S.A. on September 13, 2011. Vecchiola is a qualified engineering company with experience in projects related to mining operations and associated facilities.

The cyanide is handled in solid state, in wooden boxes within ocean containers. Therefore the potential for seepage is minimal.

2.1.2 **Production Practice 1.2: Develop and implement plans and procedures to operate cyanide production facilities in a manner that prevents accidental 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:*

Verasay has developed an Emergency Procedure to respond to Cyanide Emergencies in the Storage Facility which includes emergency response procedures that cover the

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

relevant scenarios for their operations, which include but are not limited to spills and exposure.

Verasay has developed and implemented the procedure P2-67 dated August 2, 2014, which describes the cyanide unloading, loading management operations in ocean containers and wooden boxes as well as the emergency response procedures. Personnel operating La Negra were interviewed during the audit and they were knowledgeable of the procedure requirements.

Verasay has the procedure P1-01-I-01 "Management of Changes". This procedure establishes the process to identify and evaluate hazards associated with new projects or changes required in the Verasay's facility as well as controls to avoid or minimize identified hazards. New projects or changes are analyzed by a multidisciplinary team. Analysis results are registered in the forms "management change", "AST" and "technical evaluation". According to the site contacts, there have been no changes since the site started operations in 2014.

Procedure P2-67 establishes the steps to dispose of Personal Protective Equipment (PPE) and residues of cyanide generated in case of emergency or spills. According to this procedure, in case of emergency or spills, the cyanide residues and PPE will be stored in plastic bags and later, using the services of an authorized vendor, cyanide residues will be disposed of as hazardous waste and the PPE will be washed or disposed of as hazardous waste. According to Verasay's personnel, no cyanide waste has been generated since the facility started operations.

Verasay's facility has a security shed and access is controlled. In addition, access to the cyanide storage facility is secure and access is allowed only to authorized personnel. The perimeter walls are constructed with concrete block.

Re-packaging is not an operation at Verasay's facility. Cyanide is received packaged according to international transport regulations. Additionally, Verasay complies with the Chilean Official Standard NCh 21 90 Of.2003 and the Chilean Supreme Decree 298, which establish the safety information that must be stated in containers of hazardous substances. Verasay's personnel inspect storage area to identify damages in the ocean containers, where cyanide wooden boxes are maintained.

### **2.1.3 Production Practice 1.3: Inspect cyanide production facilities to ensure their integrity and prevent accidental releases.**

The operation is

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

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date



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

During loading and unloading activities, the site personnel conduct visual inspections to verify that ocean containers are not damaged. Additionally, inspections to the concrete slab floor are done daily by personnel responsible of the storage area. Only incidents are recorded. The inspection logbook is kept in the surveillance booth. According to the site personnel, since the La Negra began operations, there have been no recordable incidents, such as damages to ocean containers or La Negra facilities.

According to the procedure P2-67 dated August 02, 2014, La Negra facilities are inspected by the site responsible before the containers are stored. These inspections are conducted in addition to the daily inspection to verify the containers are in good conditions. During audit, ERM verified that inspections are registered in the site logbook that is kept in the security booth. Since La Negra started operations no facilities damages have been detected; however, if they were identified, the Verasay's management must be notified to apply corrective actions. In case of damages, the records of the corrective actions must be kept by Verasay's management.

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

2.2. **WORK SAFETY: PROTECT WORKER'S HEALTH AND SAFETY FROM EXPOSURE TO CYANIDE**

2.2.1 **Production Practice 2.1: Develop and implement procedures to protect plant personnel from exposure to cyanide**

The operation is

- in full compliance
- in substantial compliance with Practice 2.1
- not in compliance

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

Verasay has developed the procedure P2-67 that includes the required practices for reception, storage requirements, and loading and unloading activities. Relevant personnel were interviewed during the audit and they were knowledgeable of the procedure requirements; and, the practices, as they reportedly perform them, are consistent with what is stated in the procedure.

Since the facility is dedicated only to storage activities, non-routine operations would be faced only during emergency situations. Maintenance is related only to the forklift, which is performed inside of the Verasay's facility by a third party company called Tattersall Maquinarias, S.A. de C.V.

The site has the procedure P1-01-I-01 "Management of Changes" that includes procedures to identify and evaluate hazards associated with new projects or changes in Verasay's facility. New projects or changes are analyzed by a multidisciplinary team. Analysis results are registered in the forms "management change", "AST" and "technical evaluation". According to Verasay personnel, no changes have been implemented at the facility since 2010.

Due to the fact that there are only three employees operated in the Site (site supervisor, forklift operator and security guard), forklift operator and security guard notifying immediately to the site supervisor the safety issues identified during operations that could modify health and safety procedures. Additionally, Verasay has an improvement opportunity form available for employees, this form is used for employees to communicate proposals for improving health and safety procedures. Then, the supervisor and Verasay Management Team analyze their implementation.

Verasay has portable cyanide gas detectors to monitor cyanide concentrations in the air while loading and unloading cyanide containers. The detectors are calibrated to trigger the alarm at 4.6 ppm. Calibration of the cyanide detector used during site visit was verified. Calibration expiration date could be verified in the detector screen when it was turned on.

Detectors are calibrated according to the manufacturer calibration recommendations. Expiration date is shown in the detector screen when it is turned on. Thirty days before the calibration expires, Verasay replaces the detector in use and provides a calibrated detector. During the audit, calibration expiration date of the detector in use was reviewed.

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

Tyvek suits and dust masks are maintained at the site to be used in case a cyanide container is damaged or a solid cyanide release has to be controlled. As, the La Negra site is located in an area where the annual precipitation is 1.7 mm and there are not water sources available nearby to the cyanide storage area, half-face respirators and acid gases cartridges are not required by Verasay. Procedure P2-67 describes activities for decontamination and disposal of disposable Tyvek suits used in case of emergency. Since the site began operations in 2014, there have been no decontamination and disposal activities.

Radios, email, and telephones are used to communicate among relevant personnel related to the cyanide operations.

Pre-employment medical tests are required prior to hiring new personnel and periodically while working at Verasay. Medical tests include blood and urine and a physical examination.

Procedure P2-67 establishes the prohibition of smoking, eating and drinking inside the Verasay's facility. Additionally, Verasay is located adjacent to a LP gas storage facility; therefore, open flames are prohibit in the area. A warning sing indicating prohibition of smoking, eating and drinking is located at the entrance of the Verasay's facility.

**2.2.2 Production Practice 2.2: Develop and implement plans and procedures for rapid and effective response to cyanide exposure.**

The operation is

- in full compliance with
- in substantial compliance with Production Practice 2.2
- not in compliance with

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

The Site has specific written Emergency Procedures to respond to cyanide related emergencies in their facility, which address spills, fires and intoxication due to cyanide exposure.

The site has a low pressure eye wash and shower stations and dry chemical powder extinguishers available in the Cyanide storage facility. According to the procedure P2-67 eye wash and emergency shower station and extinguishers are inspected on a monthly basis. Functionality of the eye wash and emergency shower station was tested during the audit. During audit, inspection records of July 2015 were reviewed.

The facility has six spray oxygen bottles. Each bottle has a capacity for 50 sprays. Additionally, the site has an antidote kit to treat any exposed employee. No resuscitators were available and none are considered required due to the availability of the oxygen. The employees have radio and telephone for internal communication. In addition Verasay has identified the nearest hospital that would treat exposed employees, if required. The nearest hospital is located approximately 23 km from the Site.

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

According to the procedure P2-67 and the inspection records reviewed the cyanide antidote kit is inspected on a monthly basis. The antidote kits are kept under refrigeration. The Spanish MSDS was available in the cyanide storage area. Only the emergency response brigade members are authorized to treat an exposed employee. Training records of emergency response brigade members were reviewed during the audit. Only authorized personnel are allowed to enter the area. As cyanide is handled inside of ocean containers, Verasay's procedure does not consider the use of disposable Tyvek suits for routine activities; however, the procedure P2-67 establishes activities required to decontaminate employees in charge of emergency response.

Verasay has identified the nearest hospital that could treat exposed employees. The nearest hospital is located approximately 23 km from the Site. In addition, the site has an emergency response brigade trained in first aid and is familiar with cyanide intoxication symptoms. As previously noted spray oxygen bottles and antidote kits are available on site as well.

Procedure P2-67 establishes that exposed workers have to be transported to the nearest medical facility. La Negra's supervisor is responsible to coordinate First aid and transfer.

Written communications with external responders were available for review, including the local hospital. Additionally, Verasay involve the emergency response stakeholders during training sessions and emergency drills.

The facility conducts annual mock emergency drill. The latest emergency drill was conducted on 25 November 2014 regarding a cyanide release inside of the La Negra site. Records of the mock emergency drill and its analysis are kept on site. Emergency drill report establishes improve measures such as maintain, at least, two brigade members where the emergency is located.

Verasay has the Procedure P1-09 incident investigation. This procedure establishes the methodology to notify and investigate accidents that happen in Verasay's facilities. Procedure P1-09 indicates that such incident investigation must be backed up by a report.

Verasay complies with the 12 elements of Production Practice 2.2. Verasay has developed and implemented procedures for rapid and effective response to cyanide exposure.

**2.3. MONITORING: ENSURE THAT PROCESS CONTROLS ARE PROTECTIVE OF THE ENVIRONMENT.**

**2.3.1 Production Practice 3.1: Conduct environmental monitoring to confirm that planned or unplanned releases of cyanide do not result in adverse impacts.**

The operation is

- in full compliance with
- in substantial compliance with Production Practice 3.1
- not in compliance with

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

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

Verasay is a storage facility; their operations do not generate air emission or wastewater containing cyanide under normal conditions. Waste generated by an emergency would be handled as hazardous waste. This section is not applicable to the facility.

**2.4. TRAINING: TRAIN WORKERS AND EMERGENCY RESPONSE PERSONNEL TO MANAGE CYANIDE IN A SAFE AND ENVIRONMENTALLY PROTECTIVE MANNER.**

**2.4.1 Production Practice 4.1: Train employees to operate the plant in a manner that minimizes the potential for cyanide exposures and releases**

The operation is

- in full compliance with
- in substantial compliance with Production Practice 4.1
- not in compliance with

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

Verasay has an annual training program that includes all personnel related to cyanide management. All personnel that operate the La Negra site has experience handling cyanide; however, every year personnel receive a refresh session. New hire employees receive training before start working in La Negra site.

Members of the emergency response brigade and La Negra personnel in charge are trained annually regarding the use of personal protective equipment. This training is given by internal and external trainers. Falck Aprem is the external trainer in charge to provide training to emergency response brigade members. Training session provided by Falck Aprem includes the following topics:

1. Environmental and health risks associated to hazardous chemical substances;
2. Safety storage of hazardous substances;
3. Risk assessment;
4. Emergency response;
5. Use of equipment required in case of emergency;
6. Use of Personal Protective Equipment;
7. Procedures of decontamination;
8. Emergency drills;

Falck Aprem training is provided every two years. The latest training session was provided by Falck Aprem in November 2013.

Verasay provides an annual training session regarding Procedure P2-67 or before in case of changes. Verasay Management Department keeps all training records registered and filed.

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

A new hire induction training program must be completed by new hire employees prior to the beginning of their activities in the company. New hire induction training program include safe cyanide handling and emergency response procedures.

The effectiveness of cyanide management training is continuously tested through observation of daily operations and emergency drills.

**2.4.2 Production Practice 4.2: Train employees to respond to cyanide exposures and releases.**

The operation is

- in full compliance with
- in substantial compliance with Production Practice 4.2
- not in compliance with

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

Verasay has the Procedure P2-67 in which all of the employees are trained in the different scenarios that could result in an emergency such as cyanide release. This training is given by a Verasay trainer once a year.

Verasay conducts an annual emergency drill. The latest emergency drill was conducted on 25 November 2014 regarding a cyanide release inside of the La Negra site. Besides their emergency response brigade, the administrative and operative personnel of the facility participated during the emergency drill. Verasay keeps records of the mock drills performed.

During emergency drills, Verasay assess employees' response to emergencies. Mock drill records were reviewed during audit. According to the interviewed Verasay representatives, the mock drill reports are used to define additional requirements for training.

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

**2.5.1 Production Practice 5.1: Prepare detailed emergency response plans for potential cyanide releases**

The operation is

- in full compliance with
- in substantial compliance with Production Practice 5.1
- not in compliance with

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

Verasay has developed the Procedure P2-67 to respond to Cyanide Emergencies in the Storage Facility (herein after the Emergency Procedure). It is a 23-page document that covers all the operations in the storage facility. It includes a section describing the sodium cyanide characteristics, emergency assessment and levels and scenario specific instructions.

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

The Emergency Procedure includes instructions to respond to solid cyanide spills inside of La Negra site. Given the nature of site operations, this is considered to be sufficient. The plan includes specific response actions for scenarios in case of fire, spills, releases, vehicular accidents, terrorist acts, and weather phenomena such as rain.

The Procedure P2-67 includes general instructions to evacuate the facility. However, given the nature of the cyanide related operations at the site, it is not expected that evacuation from neighboring areas would be required because of a cyanide incident.

Verasay has the Procedure P1-09 incident investigation that requires identifying the root cause of the accident and establishing preventive and corrective actions to prevent accident repetition. This would help to prevent future releases. As previously noted, the Emergency Procedure also includes specific instructions on how to respond to cyanide spills. Additionally, Verasay inspects ocean containers during loading and unloading activities, in order to verify they are not damaged.

### 2.5.2 Production Practice 5.2: Involve site personnel and stakeholders in the planning process

The operation is

- in full compliance with
- in substantial compliance with Production Practice 5.2
- not in compliance with

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

The plan was developed by the facility's EHS Manager and approved by the Verasay's Operations Manager. There are no nearby communities. The nearest populated area is Antofagasta City located approximately 23 km to the Northwest of La Negra site. As mentioned before, La Negra is located in an industrial park. Neighboring companies have been notified regarding Verasay's operations and risks.

The facility has notified regarding its activities and the emergency response procedures to the external emergency response stakeholders including the Firefighters Agency, police and nearby hospital during the process to obtain the Environmental Impact Assessment authorizations, as required by the Chilean authorities.

### 2.5.3 Production Practice 5.3: Designate appropriate personnel and commit necessary equipment and resources for emergency response

The operation is

- in full compliance with
- in substantial compliance with Production Practice 5.3
- not in compliance with

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

Verasay has a brigade integrated by internal responders to attend in case of emergency events of hazardous materials, including cyanide releases. Internal responders are trained annually.

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date

Emergency response members include the La Negra supervisor and trucks drivers. Verasay has, at least, five available employees to response in case of emergency. Procedure P2-67 includes the following inventory of emergency response equipment:

- 14- Disposable tyvek suits
- 8 - Bait gloves
- 8 - Plastic boots
- 8 - Safety glasses
- 8 - Plastic gloves
- 2 - Caution tape roll
- 2 - Lamps
- 1 - Tape rolls
- 40 - Dust masks
- 4 - Shovels
- 4 - Safety cones
- 4 - Brooms
- 1 - Emergency lamps
- 50 - Plastic bags
- 2 - Empty buckets
- 1 - Tow rope
- 2 - Tarpaulin
- 4 - Oxygen pressurized cans
- 80 kg of lime
- 45 kg of calcium hypochlorite

Verasay has implemented a monthly inspection checklist; the availability of the equipment was confirmed during the audit. Role of outside responders has been notified by Verasay during training sessions. And emergency response contact details included in Procedure P2-67. However, given the activities performed in La Negra, it is considered that external responders in case an emergency will not be required, unless , the Site supervisor determines that an ambulance is required.

#### **2.5.4 Production Practice 5.4: Develop procedures for internal and external emergency notification and reporting**

The operation is

- in full compliance with
- in substantial compliance with Production Practice 5.4
- not in compliance with

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

Emergency Response Procedure includes instructions to notify the authorities as required. Section 8 includes a communication flowchart and phone numbers for internal and external emergency responders.

Verasay LTDA  
Name of Facility

  
Signature of Lead Auditor

21 September 2015  
Date



The Plan does not consider necessary the evacuation of communities. Instructions for communication with the authorities and external responders are included in the plan as detailed above.

**2.5.5 Production Practice 5.5: Incorporate into response plans and remediation measures monitoring levels that account for the additional hazards of using cyanide treatment chemicals**

The operation is

- in full compliance with
- in substantial compliance with Production Practice 5.5
- not in compliance with

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

The cyanide storage area has concrete floor and cyanide is stored inside of ocean containers; therefore, in case of spill or release, there will not be soil or water remediation measures required.

None of the site specific scenarios consider that a release would reach soil (the storage area is concrete paved and cyanide is stored in closed ocean containers) or water bodies. Monitoring would be limited to air and it would be done with portable cyanide detectors.

**2.5.6 Production Practice 5.6: Periodically evaluate response procedures and capabilities and revise then as needed**

The operation is

- in full compliance with
- in substantial compliance with Production Practice 5.6
- not in compliance with

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

According to the emergency response procedure developed by Verasay, it will be reviewed once per year, after the emergency drill has performed. Latest emergency drill was conducted on 25 November 2014 regarding a cyanide release inside of the La Negra site. Records of the mock emergency drill and its analysis are kept on site. Emergency drill report establishes to improve measures such as maintain, at least, two brigade members where the emergency is located.