



January 2014

INTERNATIONAL CYANIDE MANAGEMENT CODE PRODUCTION CERTIFICATION AUDIT

Allship Logistics Limited Production Facility Summary Audit Report

Submitted to:

International Cyanide Management Institute (ICMI)
1400 I Street NW, Suite 550
Washington DC 20005
UNITED STATES OF AMERICA

REPORT

Report Number. 137648004-006-R-Rev1

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1.0 SUMMARY AUDIT REPORT FOR CYANIDE PRODUCTION OPERATIONS

Name of Cyanide Production Facility: Allship Logistics Limited
Name of Facility Owner: Allship Logistics Limited
Name of Facility Operator: Allship Logistics Limited
Name of Responsible Manager: Mr Robert Kutin, Managing Director
Address: Allship Logistics Limited
Head Office (Tema)
Heavy Industrial Area, Opposite Tema Lube Oil
P.O. Box BT 582
Country: Ghana

2.0 LOCATION DETAIL AND DESCRIPTION OF OPERATION

2.1 Allship Logistics Limited

Allship is a wholly owned Ghanaian entity that was established in 1990 to provide freight forwarding and logistics services. The Company's head office is located in Tema, with branches in Accra, Takoradi, Tarkwa, Paga and Burkina Faso.

Since the establishment of the Company it has provided services to companies in the mining, heavy industrialised sectors, government organisations as well as private organisations.

Allship has a truck yard and warehouse facility at its Head office in Tema, a truck yard and warehouse facility at its branch office in Takoradi and warehouse facility at Tarkwa. This audit addresses only the warehousing facility at Tarkwa, the only facility where Allship stores cyanide.

Allship Logistics Limited is a Network Partner with UTi, a worldwide freight forwarding and logistics company operating a network of over 400 offices in 128 countries worldwide.

2.2 Cyanide Warehousing

Allship's cyanide storage warehouse is located at Tarkwa Road, Dompim, a town of approximately 10,000 people, approximately 30 km south-west of Tarkwa. Most cyanide is delivered by ship to the port at Takoradi. Some cyanide is delivered via Tema port.

Allship designed and arranged the construction of the warehouse in 2010. The Ghanaian Environmental Protection Authority granted authorisation (EPA Permit number EPA/EIA/343) on 28 December 2011 to Allship to commence the construction and operation of the sodium cyanide warehouse. Geolgio Limited, a local construction firm, constructed the warehouse.

The warehouse comprises two storage areas, separated by a wall. One area is used only for storage of cyanide.

The warehouse is used for the storage of cyanide en-route from the port at Takoradi or Tema to the mine site. The cyanide is packaged in one tonne polypropylene lined timber boxes, which are unloaded from the shipping containers at the warehouse and stored, on the concrete floor, in the warehouse until required by the mine site. Upon request by the mine site, the cyanide boxes are removed from the warehouse using a forklift and packed into a Maersk line shipping container, locked and sealed for transport to the mine site.

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Every year about 200 containers of cyanide passes through the Tarkwa warehouse.

The quantity of cyanide stored in the warehouse at times is up to 2,000 one-tonne boxes of cyanide, which represents approximately 6 months' supply for Allship's transport operations.

At the warehouse, Allship owns two forklifts for unloading and loading of cyanide boxes between shipping containers and the warehouse.

The warehouse has an incinerator for burning the cyanide plastic bags and timber boxes returned from mine sites. The incinerator ceased operations in approximately September 2012 and these materials are now disposed of by a contractor, ZOIL Services Limited, which has an EPA licence for hazardous chemicals transport and incineration at an incinerator at Nyankrom, approximately 15 km east of Takoradi.

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3.0 SUMMARY AUDIT REPORT

3.1 Auditor's Findings

Allship Logistics Limited is:

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

The International Cyanide Management Code

Audit Company: Golder Associates
Audit Team Leader: Tom Carmichael, RABQSA International Certified Lead Auditor (No. 14544)
Email: tomcarmichael@golder.com.au

Name and Signatures of Auditors

Name, Position	Signature
Tom Carmichael, ICMI Pre-certified Lead Auditor and Production Technical Specialist	
Russell Beazley, Auditor	

3.2 Dates of Audit

The Certification Production Audit was undertaken over six person days between 4 and 6 March 2013.

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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3.3 Principle 1 – Operations

Design, construct and operate cyanide production facilities to prevent release of cyanide.

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

[X] in full compliance with

The operation is

[] in substantial compliance with

Production Practice 1.1

[] not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 1.1 which requires that the design and construction of cyanide production facilities be consistent with sound, accepted engineering practices and quality control/quality assurance procedures.

The facility did not implement quality control and quality assurance programs during construction of the cyanide production and storage facilities in 2011. However, the facility has been subject to a post-construction independent inspection by an appropriately qualified person (the architect who designed the building) to confirm it is adequate for its purpose.

Materials used for the construction of plant and equipment containing or handling comprise steel or concrete. These materials are recognised as being compatible with cyanide.

The area where cyanide is handled within the warehouse has been paved with concrete to minimise seepage to the subsurface. The area outside the warehouse where cyanide is handled has been surfaced with road-base material compacted by a heavy roller to minimise infiltration.

The facility does not have any cyanide process or storage vessels.

The facility does not have or require secondary containments as it does not handle liquids containing cyanide.

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

[X] in full compliance with

The operation is

[] in substantial compliance with

Production Practice 1.2

[] not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 1.2 requiring that the operation develop and implement plans and procedures to operate cyanide production facilities in a manner that prevents accidental releases.

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The facility has various procedures, instructions and checklists that support management of the integrity of warehouse operations in a manner intended to avoid cyanide releases and exposures.

The facility has procedures for contingencies during upsets in its activities that may result in cyanide exposures or releases.

The Allship *Emergency Response Guide, Sodium Cyanide* addresses management of spills of solid sodium cyanide inside a building, outside a building and inside a shipping container.

The facility has a change management process to identify when site operating practices have or will be changed from those on which the initial design and operating practices were predicated.

Preventive maintenance programmes have been planned and implemented and activities documented for equipment and devices according to manufacturer's recommendations. The key items of plant and equipment requiring preventive maintenance comprise the forklifts used to move the boxes of cyanide. The forklifts are subject to regular servicing and maintenance and records are kept.

There are no process parameters requiring monitoring at the site.

There are no discharges of cyanide process waters from the site.

The facility has sound procedures for disposal of cyanide or cyanide-contaminated solids. Cyanide and cyanide-contaminated solids are incinerated by an EPA-approved contractor or decontaminated by rinsing with sodium hypochlorite.

Cyanide is stored only in 1 tonne timber boxes lined with polypropylene and polyvinyl chloride plastic bags. The boxes are stored in a locked warehouse building inside a secure compound, where public access is prohibited and rainwater ingress is prevented. The warehouse is ventilated.

Cyanide is packaged for transport in accordance with international standards for packing of solid cyanide and thereby meets the requirements of the political jurisdictions through which the loads will pass.

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

in full compliance with

The operation is

in substantial compliance with

Production Practice 1.3

not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Production Practice 1.3 requiring inspection of cyanide production facilities to ensure their integrity and prevent accidental releases is NOT APPLICABLE.

The facility does not have any cyanide tanks, secondary containments, pipelines, pumps or valves or other liquid cyanide production facilities.

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3.4 Principle 2 – Worker Safety

Protect workers’ health and safety from exposure to cyanide.

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

in full compliance with

The operation is in substantial compliance with **Production Practice 2.1**

not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 2.1 requiring the operation to develop and implement procedures to protect plant personnel from exposure to cyanide.

The site has developed operational procedures to minimise worker exposure during for their activities during normal plant operations from receipt of raw materials through finished product, and packaging.

Allship does not undertake any maintenance activities at the warehouse relevant to handling of cyanide.

Allship’s *Change Management Application* procedure requires supervisors to evaluate changes and complete a risk assessment and hazard identification (including environmental and health risks).

The Allship *HSE Management Manual* states that all employees must report unsafe acts and unsafe conditions as well as participate in joint health and safety committees.

Allship requires all employees to undergo pre-employment health checks. Records are kept of the pre-employment health checks.

Section 9.2.2 of Allship’s *Transport Management Plan for Cyanide* specifies the PPE requirements when handling cyanide.

Hydrogen cyanide monitoring equipment is maintained, tested and calibrated as directed by the manufacturer, and records are retained for at least one year.

The Allship *Emergency Response Plan and Evacuation Procedures for Warehouse and Office Block* requires loading and off-loading of cyanide to be undertaken in the company of another cyanide trained worker to act as a ‘buddy’.

Section 6.8.3 of the Allship *Emergency Response Plan and Evacuation Procedures for Warehouse and Office Block* specifies that after working in a cyanide area and being exposed to possible contamination, personnel should remove clothing, boots, gloves and other personal protective equipment and place them in a designated decontamination container in the decontamination zone for washing with 1% hypochlorite solution and tap water.

Warning signs for cyanide are placed in all cyanide handling and storage areas. The signs include requirements for PPE

All personnel are prohibited from smoking, eating and drinking, and having open flames in areas where there is the potential for cyanide contamination. All cyanide handling and storage areas have signs stating no smoking, no eating or drinking and no open flames.

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

in full compliance with

The operation is in substantial compliance with **Production Practice 2.2**

not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 2.2 requiring the operation to develop and implement plans and procedures for rapid and effective response to cyanide exposure.

The site has developed specific written emergency response plans and procedures for response to cyanide exposures. These are documented in the *Emergency Response Plan and Evacuation Procedures for Warehouse and Office Block*.

An emergency shower and low pressure eye wash station has been installed near the warehouse building and is inspected and maintained to ensure they are operable.

The facility has water, oxygen, resuscitators, antidote and a means of communication or emergency notification readily available for use in the plant.

Material Safety Data Sheets are displayed adjacent in the warehouse building in English, the language of the workforce.

The site has its own on-site capability to provide first aid or medical assistance to workers exposed to cyanide.

The facility has developed procedures to transport workers to locally available qualified off-site medical facilities.

Mock emergency drills are conducted periodically to test response procedures for various exposure scenarios, and the lessons learned from the drills are incorporated into emergency response planning, most recently in December 2012.

The facility has a procedure to investigate and evaluate cyanide exposure incidents. It details an accident classification system which determines the type of investigation required. It details the accident report process and accident communication process. No cyanide exposure incidents have occurred since the facility commenced operation in 2011.

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3.5 Principle 3 – Monitoring

Ensure that process controls are protective of the environment.

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

in full compliance with

The operation is

in substantial compliance with

Production Practice 3.1

not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Production Practice 3.1 requiring the facility to conduct environmental monitoring to confirm that planned or unplanned releases of cyanide do not result in adverse impacts is NOT APPLICABLE to the cyanide facility.

The facility does not have direct or indirect discharge to surface waters.

The facility does not have or generate liquids containing cyanide.

The facility does not generate atmospheric emissions of hydrogen cyanide gas as a normal part of its operations. Cyanide is stored in plastic bags inside timber boxes kept in an enclosed warehouse to minimise the potential for air moisture generating hydrogen cyanide gas.

There are no surface water bodies in close proximity to the cyanide facility which require monitoring.

No environmental monitoring is required or undertaken at the facility.

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3.6 Principle 4 – Training

Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner

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

in full compliance with

The operation is

in substantial compliance with

Production Practice 4.1

not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 4.1 to train employees to operate the plant in a manner that minimizes the potential for cyanide exposures and releases.

The facility trains workers to understand the hazards of cyanide. This training is provided before employees are allowed to work with cyanide.

Annual training is provided. The Allship Emergency Response Plan and Evacuation Procedures for Warehouse and Office Block specifies the minimum qualification requirements and training for warehouse personnel, including warehouse workers, forklift operators, security personnel and the emergency response team. The training materials include cyanide awareness, cyanide emergency response scenario training (mock drill), fire fighting, first aid and correct use of PPE.

Workers are trained to perform their normal production tasks with minimum risk to worker health and safety and in a manner that prevents unplanned cyanide releases specifically during departmental training and operational training where workers learn about specific tasks and hazards for the work they perform.

Section 3.3 of the Allship Emergency Response Plan and Evacuation Procedures for Warehouse and Office Block specifies the minimum qualification requirements and training for warehouse personnel, including warehouse workers, forklift operators, security personnel and the emergency response team.

Training is provided by appropriately qualified personnel.

The design of the training modules is facilitated by the Health and Safety Department of Allship with support of the company's management team. There are two HSE Officers at the warehouse who coordinate the training.

First Aid training is provided by nationally accredited training providers.

Employees are trained prior to allowing them to work with cyanide.

Section 3.2 of the HSE Management Manual states that all new staff employed by the company will undergo induction through all the departments for at least one day to enable them to become aware of all procedures, including safety and warehouse operations.

The site evaluates the effectiveness of cyanide training by observation.

The responsibilities of first-line supervisors include:

- Instructing workers to follow safe work practices.
- Enforcing health and safety regulations.

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- Correcting unsafe acts and unsafe conditions.
- Ensuring that only authorised, adequately trained workers operate equipment.
- Promoting safety awareness in workers.

The HSE Officers use a *BBS Observation Checklist* to record observations of safety practices.

After every mock drill the views of participants are recorded and evaluated and a chronology of the main actions taken by attendees is recorded by the Safety Officer.

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

in full compliance with

The operation is in substantial compliance with **Production Practice 4.2**
 not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 4.2 requiring the operation to train employees to respond to cyanide exposures and releases.

Workers are trained during induction and annual training in procedures to be followed if a cyanide release is discovered.

The Allship Training Matrix records the following details:

- Date of training.
- Name of trainer (during 2012 the safety training was undertaken by a safety manager from Samsung (a cyanide consignor)).
- Names and work functions of attendees.
- Topics covered in the training.

Mock drills are undertaken once a year. After every mock drill the views of participants are recorded and evaluated and a chronology of the main actions taken by attendees is recorded by the safety officer.

Training records are retained throughout an individual's employment documenting the training they have received which including the name of the employee, the trainer, the date of training, the topics covered, and how the employee demonstrated an understanding of the training materials.

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3.7 Principle 5 – Emergency Response

Protect communities and the environment through the development of emergency response strategies and capabilities.

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

[X] in full compliance with

The operation is [] in substantial compliance with Production Practice 5.1

[] not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 5.1 requiring the operation to prepare detailed emergency response plans for potential cyanide releases.

Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block details the emergency response for potential releases of cyanide for five potential release scenarios as well as fire events.

The facility does not undertake dissolution operations and does not have any pipes, valves or tanks.

The Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block contains specific response actions including: control of any release at source; evacuation of workers and potentially affected communities; use of first aid measure and antidotes; and containment, assessment, mitigation and future prevention of releases.

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

[X] in full compliance with

The operation is [] in substantial compliance with Production Practice 5.2

[] not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 5.2 requiring the operation to involve site personnel and stakeholders in the planning process.

The facility has involved its workforce and stakeholders, including potentially affected communities, in the emergency response planning process.

The facility has involved local response agencies such as outside responders and medical facilities in the emergency planning and response process. This includes participation in emergency mock drills and written notifications of emergency response processes. Notifications include Dompin Police, Tarkwa Fire Service and Tarkwa Government Hospital.

Mock emergency drills are conducted periodically to test response procedures for various exposure scenarios, and the lessons learned from the drills are incorporated into emergency response planning.

A mock drill was undertaken at the warehouse on 1 December 2012 to ascertain the preparedness of Allship site personnel, drivers, escort leaders and security staff members to respond to an emergency situation of cyanide spillage.

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The drill was attended by two site security personnel, the site manager, the safety officer, a forklift driver and 8 vehicle drivers.

An emergency response drill was carried out with the nearby Abosso Community in 2011.

Regular communications with stakeholders are undertaken to assure that the Plan addresses current conditions and risks.

Allship has notified the nearest hospital (Tarkwa Government Hospital) of its potential role in the event of a cyanide spill.

The *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* includes emergency contact details for local hospitals, the Ghanaian Police Service, the National Fire Service, the National Ambulance Service, the Environmental Protection Agency and the Water Resources Commission.

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

in full compliance with

The operation is in substantial compliance with **Production Practice 5.3**

not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 5.3 requiring the operation to designate appropriate personnel and commit necessary equipment and resources for emergency response.

The *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* details the following emergency response teams: Safety Manager, Safety Officer, First Aid Personnel, Fire Fighting Personnel, Trained Forklift Operators, Trained Truck Drivers, Security personnel at the warehouse, Specific Technical Advisor, Chemical Sales / Technical Representative.

The *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* details the call out procedures, emergency contact list, the duties and responsibilities of the emergency response teams, details of emergency response equipment and inspection procedures. The role of outside responders, medical facilities and communities is detailed in the Plan.

Outside entities included in the *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* have taken part in one of the mock drills for the facility.

Production Practice 5.4: Develop procedures for internal and external emergency notification and reporting.

in full compliance with

The operation is in substantial compliance with **Production Practice 5.4**

not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 5.4 requiring the operation to develop procedures for internal and external emergency notification and reporting.

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The *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* includes procedures and contact information for notifying management, regulatory agencies, outside responders and medical facilities and includes appropriate telephone numbers.

The *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* include procedures and contact information for notifying potentially affected communities of the incident and/or response measures.

The *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* does not specifically address contact with the media. However, Section 3.2.2 of the Plan states that the HSE Manager is responsible for informing external parties including government authorities and the local community.

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

in full compliance with

The operation is in substantial compliance with **Production Practice 5.5**

not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 5.5 requiring the operation to incorporate into response plans and remediation measures monitoring elements that account for the additional hazards of using cyanide treatment chemicals.

The *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* describes specific, appropriate remediation measures, such as recovery or neutralization of solutions or solids, decontamination of soils or other contaminated media and management and/or disposal of spill clean-up debris.

The *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* details that remedial measures will include in-situ neutralisation or digging out contaminated soil, then decontaminating the soil using sodium or calcium hypochlorite solution, or hydrated ferrous sulphate crystals or solution.

Contaminated soil which is not neutralised will be transferred to one of the mine sites tailings dams for disposal.

The warehouse site is not in close proximity to water resources. Nonetheless the *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* provides for notification of the Water Resource Commission in the event of a spill which may impact up any watercourse, catchment dam or groundwater.

The *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* prohibits the use of sodium hypochlorite or ferrous sulphate or any cyanide neutralising chemical to be used in neutralising cyanide that has entered surface water.

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Production Practice 5.6: Periodically evaluate response procedures and capabilities and revise them as needed.

in full compliance with

The operation is in substantial compliance with **Production Practice 5.6**

not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Production Practice 5.6 requiring the operation to periodically evaluate response procedures and capabilities and revise them as needed.

The *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* includes provisions for annually reviewing and evaluating its adequacy.

A mock drill was undertaken at the warehouse on 1 December 2012 to ascertain the preparedness of Allship site personnel, drivers, escort leaders and security staff members to respond to an emergency situation of cyanide spillage.

The drill was attended by two site security personnel, the site manager, the safety officer, a forklift driver and eight vehicle drivers.

No changes were required to the procedures for emergency responses.

Section 7.0 of the *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* states in the event of an emergency or incident at the warehouse, an investigation report will be prepared and Allship will review and revise the Plan as necessary.

The facility has not had any emergencies involving cyanide to date.

The most recent version of the *Emergency Response Plan and Evacuation Procedure for Warehouse and Office Block* was prepared in April 2013.



Report Signature Page

GOLDER ASSOCIATES PTY LTD

Handwritten signature of Russell Beazley in black ink.

Russell Beazley
ICMC Auditor

Handwritten signature of Tom Carmichael in black ink.

Tom Carmichael
ICMC Lead Auditor and Technical

TC/ECW/tc

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