

***INTERNATIONAL CYANIDE
MANAGEMENT INSTITUTE***

Cyanide Transportation

Summary Audit Report Form

***For The
International Cyanide Management
Code***

CITSSA LOGISTICS SAC S.A.C. – Lima, Peru

1st. Recertification Audit dates: April 24, 25 and 26, 2014

Auditor: Julio Monteiro (LA)

JMAQ – Julio Monteiro Auditores da Qualidade – Rio de Janeiro, Brazil

Name of Cyanide Transportation Facility: CITSSA LOGISTICS SAC Logistics S.A.C.
 Name of Facility Owner: CITSSA LOGISTICS SAC Logistics S.A.C.
 Name of Facility Operator: CITSSA LOGISTICS SAC Logistics S.A.C.
 Name of Responsible Manager: Carlo Martín Lazarte Zárate
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Location detail and description of operation:

CITSSA LOGISTICS SAC LOGISTICS SAC (CITSSA LOGISTICS SAC) is a company dedicated to the transport of hazardous materials with operations in Peru. Currently, CITSSA LOGISTICS SAC transports sodium cyanide in solid state (according to different packaging, boxes and barrels) on behalf of different companies in Peru and others Ports in the Peruvian territory (where the suppliers have their storage facilities) to, among others.

This audit comprises the ground transportation operations from the moment the storage facilities release the cyanide for its delivery in the client facility

CITSSA LOGISTICS SAC has implemented an integrated management system for ground transportation of hazardous materials based on ISO: 9001 and OSHAS: 18.001 and now with a continuous improvement in your Integrated Management System.

CITSSA LOGISTICS SAC was certificate in the Cyanide Code in February 2011, and has incorporated the Code in its integrated management system.

As previously mentioned, CITSSA LOGISTICS SAC transports sodium cyanide (cyanide) in solid state, from different commercial companies in Peru of the cyanide transported by CITSSA LOGISTICS SAC .Cyanide is package by the manufacturer in the following way:

Containers big box of 1 Ton: Primary packaging is made of polypropylene (big-bags) filled up.

Containers barrels of 50 kgs: Primary packaging is made of poly polypropylene (bags) filled up.

These boxes and barrels are place in standard 20-feet containers and 40-feet containers during its ground transport from the client's warehouse to the mine.

CITSSA LOGISTICS SAC receives the material in the supplier facilities. The suppliers and the mines are responsible for the operations of manipulation of the material in their warehouses.

CITSSA LOGISTICS SAC S.A.C. Peru
 March 24 at 26, 2014

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Auditor's Finding

This Operation is

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

with the International Cyanide Management Code.

This Operation has maintained full compliance with the International Cyanide Management Code throughout the previous three-year audit cycle.

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: JULIO MONTEIRO AUDITORES DA QUALIDADE Ltda.

Audit Team Leader: Julio C. M. Monteiro

E-mail: jmaq@ig.com.br

Names and Signatures of Other Auditors: None

Date(s) of Audit: 24-25-26 March 2014

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.

Lead Assessor Signature



CITSSA LOGISTICS SAC S.A.C. Peru
March 24 at 26, 2014



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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

- in full compliance with
- in substantial compliance with Transport Practice 1.1
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

According to the item 8.3 of "The Contingency Plan for the Ground Transport", revision 1 September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, dated December 12, risks are assess during transport. CITSSA LOGISTICS SAC has implemented this procedure by performing a route inspection and a literature review. The literature review includes weather conditions, social aspects, environmental (hydrology, physiography, seismicity, biodiversity). This added to the route inspection where the main route characteristics are recorded related to the route millage marker (e.g. location of bridges, closed curves, railroad crossing), traffic conditions, telephone services, cellular phone coverage, and pedestrian presence. A portion of the reports is used for the risk assessment is attached in the contingency plan.

As previously, according to The Contingency Plan for the Ground Transport, Revision 1 September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, dated December 12 of 2012, risks are assess during transport. Mentioned procedure establishes that a risk assessment must be performer for all operations performed by CITSSA LOGISTICS SAC LOGISTICS SAC. The risk assessment for the route to the mines in Peru is also document in the contingency plan and includes mitigation measures (e.g. speed controls, sending the escort vehicle in to the front of the convoy to assess the route conditions). Additionally, the operation has the procedure PT-02 review 3, July 2013 for Service Planning, which requires reviewing the weather forecast and other information sources (e.g. news about civil demonstrations). It also requires reviewing previous operation reports to identify potential conditions in the route.

A planning report, where the name of the product, the amount of material, the personnel and equipment to be use, a forecast of the progress, critical route points (including communication service availability and weather conditions, and the list of key contacts (internal, the client, and emergency responders) is issued and included in the operation report.

Procedure according to The Contingency Plan for the Ground Transport, revision 1 September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, dated December 12 of 2012, where was verify the item 7.2 the approbation and revision of the plan.

PT-02 review 3 July 2013 for Service Planning establishes that the risk assessment must be continuously reviewed and update.

The update and review must be perform by an Operations Safety and Security Committee of CITSSA LOGISTICS SAC.

CITSSA LOGISTICS SAC LOGISTICS SAC prepares the routes assessment, according to Directorial Resolution approved on April 24th 2009: "Guidelines for Developing a Contingency CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014



LEAD ASSESSOR SIGNATURE

Plan for the ground transportation of materials and / or hazardous waste in the transport subsector "and D.S Nº 021-2008- MTC (Ministry of Transports and Communications) approved on June 9th 2008, which Art. Nº 67 establishes the routes for the transportation of hazardous materials.

"The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes ", review (1) September 2012, include the input from communities, governmental agencies, risk assessment for the route and includes mitigation measures (e.g. speed controls, sending the escort vehicle in to the front of the convoy to assess the route conditions). According item 8: Identification of Potential Risks of Land Transport and the Critical Sectors Map for the National Road Network, published by MTC.

Additionally according the D.L. Nº 1103, dated 13 March 2012, review Art Nº 4 and Directorial Resolution Nº 350-2013-MTC/2 approved on June 17 2013 establish physical routes for Cyanide. According Procedure PT-02 review 3, July 2013) establishes that all shipments are perform in convoys with an emergency response escort; this practice was confirm by the reviewed operation reports.

CITSSA LOGISTICS SAC LOGISTICS SAC does not subcontract other companies for the sodium cyanide transportation.

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:

Procedure according to "The Contingency Plan for the Ground Transport", Revision 1 September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, dated December 12 of 2012, indicates that CITSSA LOGISTICS SAC is responsible by trained and qualified personnel in hazardous materials handling.

CITSSA LOGISTICS SAC has two Drivers designated for cyanide transportation and three Supervisors. The review of their files confirmed that they comply with these requirements. They were interview and they were familiar with the cyanide characteristics, their roles during the emergency response, and the safety measures implemented by CITSSA LOGISTICS SAC.

Additionally, CITSSA LOGISTICS SAC has an Annual Training Program, which includes important courses, as well as:

HAZMAT level III (for Drivers and Supervisors), CITSSA LOGISTICS SAC transport procedures, Risk identification and assessment, Accidents investigation Contingency Plan, Mock drills Defensive driving, Environmental protection, Operator training by the truck manufacturer, Use of cyanide antidote, Hazardous materials transport regulations and General EHS training according to the reviewed records, these courses were provided in September 2012. According established in "The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes ", review 1 September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, dated December 12. Records reviewed show that these courses were provide annually.

According to information, reviewed CITSSA LOGISTICS SAC provides training to all personnel involved in cyanide handling and transport. Training includes topics as hazardous material

CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014



LEAD ASSESSOR SIGNATURE

emergency response, CITSSA LOGISTICS SAC contingency response plan training, and defensive driving, among others. Records reviewed (personnel files) indicate that these were provided in 2010, 2011, 2012 and 2013. The training program is planning and carries on annually.

During interview the Driver (Mr. Elmer Alex Martinez Segura Driver License No. Q-40076715) proved to have detailed knowledge of the Contingency Plan and training for emergency response.

CITSSA LOGISTICS SAC does not subcontract other companies for the sodium cyanide transportation. This element does not apply.

TRANSPORT PRACTICE 1.3: ENSURE THAT TRANSPORT EQUIPMENT IS SUITABLE FOR THE CYANIDE SHIPMENT.

The operation is

- in full compliance with
- in substantial compliance with Transport Practice 1.3
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified

CITSSA LOGISTICS SAC owns trailers and truck manufactured in 2009. The renovation is planning for 2015. According to the production certificates, the trailers have 28 and 34 tons capacity respectively, while a fully loaded container has a maximum weight of less than 24 tons.

CITSSA LOGISTICS SAC has the truck maintenance procedure PV – 02 review 1 July 2013, which base on the manufacturer recommendations. CITSSA LOGISTICS SAC has the truck maintenance procedure PV – 02 reviews 2 July 2013 which is based on the manufacturer recommendations, records were reviewed and found consistent with these programs, according to the planning report No 1074 day 04 Feb.2014, vehicle C0V-755, Mitsubishi, Mod. L- 200.

This requires using checklist to inspect the vehicles (escort vehicle, trucks, and trailers). It also requires reviewing the documents and the first response emergency kit. Four checklists are fill to complete this process. The checklists are part of the operation report. According to the procedure, and the most recent checklist, the operation is not start if any of the documents or equipment required by the checklist is not available.

Several shipment reports were review; the checklists were consistently fill. The interviewed Driver Mr. Elmer Alex Martinez Segura, License Driving No. Q - 40076715. During the interview, the Driver proved to have detailed knowledge of the Contingency Plan. CITSSA LOGISTICS SAC receives the container already loaded, and only one of them is loaded in a trailer. CITSSA LOGISTICS SAC does not use the double trailer modality. CITSSA LOGISTICS SAC owns two trailers one with capacity of 28 tons and another with capacity of 34 tons. The weight of a fully loaded container is less than 24 tons. CITSSA LOGISTICS SAC personnel supervise the loading operation to ensure that no more than 20 tons of net weight is loaded in a container. In the visit that we have made to Scania Installations, been it was find fleet units CITSSA LOGISTICS SAC, inspecting of unit (plate D2M-714) confirm services in predictive work, preventive and corrective providing service to the fleet is the manufacturer of such vehicles (Scania). Interviewed Mr. Edgar Aguilar (Technical Service Advisor)

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CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014



LEAD ASSESSOR SIGNATURE

preventive and corrective providing service to the fleet is the manufacturer of such vehicles (Scania). Interviewed Mr. Edgar Aguilar (Technical Service Advisor)
 CITSSA LOGISTICS SAC does not subcontract other companies for the sodium cyanide transportation and do not handling the product. This element does not apply.

TRANSPORT PRACTICE 1.4: DEVELOP AND IMPLEMENT A SAFETY PROGRAM FOR TRANSPORT OF CYANIDE.

The operation is

- in full compliance with
 in substantial compliance with Transport Practice 1.4
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CITSSA LOGISTICS SAC receives the NaCN in 20-foot containers. CITSSA LOGISTICS SAC fixes the container to the trailer using twist locks and chains. CITSSA LOGISTICS SAC does not manipulate the packages, as the containers are seal by the NaCN distributor preventing, therefore, damages to the NaCN packaging. CITSSA LOGISTICS SAC personnel supervise the loading operation to ensure that the packaging is in good conditions. The use of the chains is record in one of the checklists mentioned in 2.1.3.

According to Procedure PT-04 (review (3), July 2013), for the loading operation, the Supervisor ensures that placards are place in the container and this is record in reviewing the operation planning No 1074 date Feb.04.201 (checklists mentioned in 2.1.3). The checklist requires reviewing the load documents (including bill of lading and MSDS among others), the truck accessories (e.g. mirrors, horn, windshield, etc), basic tool kit, first aid kit, the Driver.

Personnel protection Equipment (PPE), the PPE for emergency response, uniform, load fastening, and container placards. Additionally CITSSA LOGISTICS SAC has implemented procedure PV-05 for the inspection of the container that requires filling an inspection checklist prior to the departure of the convoy. The checklist is part of the Operation Report.

CITSSA LOGISTICS SAC has implemented procedure PV – 02 for truck maintenance and procedure PV-03 for the trailers preventive maintenance. See section 2.1.3 for further details.

CITSSA LOGISTICS SAC has implemented the procedure PT-05 for cyanide transport; this procedure establishes that the operators cannot drive more than 10 hrs per day, that the driving hours are from 6:00 am to 6:00 pm, that technical stops of 5 to 10 minutes must take place every two hours. The operation reports include the shipment tracking report that confirmed that the transport is generally perform from 6:00 am to 6:00 pm and even for smaller periods and that, the meal breaks take place. The interviewed personnel confirmed that the technical and meal breaks take place.

According to the loading procedure and the checklists, CITSSA LOGISTICS SAC fastens the containers to the trailer with twist locks and chains and no less than 10 boxes (or no less than 20 boxes in a two-box stack) are place in standard 20-feet containers and exactly 20 boxes in a 40-feet container to prevent lateral movements.

CITSSA LOGISTICS SAC has prepared the procedure PSIG-03-10 with instructions for the Supervisor in case of unfavorable weather conditions and social unrest. According to the procedure, the supervisor must stop the operations, look for a safe parking area, call the base, and wait for the conditions to improve. In case of unfavorable weather, the route must be inspect to identify slippery areas and other risks. The interviewed Supervisors were familiar with the procedure and informed that these situations have not been face as the weather and social conditions are reviewed prior to start the transport as requested by procedure PT-02 for Service

CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014



LEAD ASSESSOR SIGNATURE

Planning. CITSSA LOGISTICS SAC has implemented Procedure PT-09 for Drugs and Alcohol. It establishes that on semiannual basis, an alcohol blow test will be performed to one of the convoy members and drugs in blood test will be performed to another member. Any result other than zero is considered as severe fault. The results are kept in the Employee file.

Operations reports and records were available from February 2009 at this audit date (These include the respective checklists). Maintenance records were available since 2009, according to the Management System implemented for documents control. CITSSA LOGISTICS SAC does not subcontract other companies for the sodium cyanide transportation. This element does not apply.

TRANSPORT PRACTICE 1.5: FOLLOW INTERNATIONAL STANDARDS FOR TRANSPORTATION OF CYANIDE BY SEA AND AIR.

The operation is

- in full compliance with
- in substantial compliance with Transport Practice 1.5
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

As described in Section 1, the scope of this audit was only for the ground transportation operations performed by CITSSA LOGISTICS SAC from El Callao Port to mines located in the central area of Peru; therefore, this practice does not apply.

The scope of this audit was only for the ground transportation operations performed by CITSSA LOGISTICS SAC from El Callao Port to mines located in the central area of Peru; therefore, this practice does not apply.

TRANSPORT PRACTICE 1.6: TRACK CYANIDE SHIPMENTS TO PREVENT LOSSES DURING TRANSPORT.

The operation is

- in full compliance with
- in substantial compliance with Transport Practice 1.6
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

According to item 8.8: Description of the Operations During The Transport of Hazardous Materials and Wastes established in "The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes", review (1) September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, dated December 12, and reviewed Art. N° 66 of D.S N° 021-2008- MTC (Ministry of Transports and Communications approved on June 9, 2008), all Drivers have a radio to communicate between them and a mobile phone; the convoy escort has also a satellite phone. (Several shipment reports were reviewed and the checklists consistently filled, e.g. the operation planning No 1074 dated Feb.04.2014).

The functionality of the radio, mobile phone and satellite phone is tested prior to the departure of the convoy; this is recorded in the inspection checklist: PT-03-01 review 3, July 2013. Several shipment reports were reviewed (e.g., the Operation Planning No 1074 dated Feb.04.2014). The route inspection report includes the areas where cellular service is weak, the supervisor carries a satellite phone, the intensity of the signal has also been assessed in the inspection reports as well as the location of fixed telephones, and the payment means (coins or pre-paid cards).

CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014



LEAD ASSESSOR SIGNATURE

The functionality of the radio, mobile phone and satellite phone is test prior to the departure of the convoy; this is record in the inspection checklists. The route inspections report includes the areas where cellular service is weak, the supervisor carries a satellite phone, the intensity of the signal has also been assess in the inspection reports as well as the location of fixed telephones, and the payment means (coins or pre-paid cards).

Procedure PT-05 review 3 July 2013) for cyanide, transport establishes that the convoy progress must be monitor. The Supervisor must call the base providing the location of the convoy and contingencies that have arisen, if any. The information provided by the supervisor is also immediately provide to the client. These notifications are recorded in transport operation follow-up Format PT-05-01 (review (3), July 2013). These formats are included in the Operation Report. Several shipment reports were review (e.g., the Operation Planning N° 1083 dates March.04.2014). Procedure PT-05 review 3, July 2013) for cyanide transport establishes that the convoy progress must be monitored. The supervisor must call the base providing the location of the convoy and contingencies that have arisen, if any. The information provided by the supervisor is also immediately provide to the client.

The local regulations require remission documents issued by the client where CITSSA LOGISTICS SAC acknowledges receiving the container. CITSSA LOGISTICS SAC generates it own remission document. The containers are sealed and tagged. When the container is deliver to the mine, it stamps of conformity the remission documents. Only the mine can break the container seals.

Other information included in the remission document is the destination, packaging information, invoice, type and number of container, gross weight and the seal number.

CITSSA LOGISTICS SAC does not subcontract other companies for the sodium cyanide transportation. This element does not apply.

**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.

The operation is: **THIS PRACTICE DOES NOT APPLY TO THE OPERATION**

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

CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014



LEAD ASSESSOR SIGNATURE

Summarize the basis for this Finding/Deficiencies Identified:

CITSSA LOGISTICS SAC does not operate interim storage facilities. This practice does not apply.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

CITSSA LOGISTICS SAC has The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes ", review (1) September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, date December 12, 2012.

CITSSA LOGISTICS SAC has The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes ", review (1) September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, date December 12, 2012. Is establishes that all shipments CITSSA LOGISTICS SAC add report in the Medical Centers, Government and others supports (Police Officers, Firefighters, Civil Defense, etc.). Responsibilities for CITSSA LOGISTICS Management Team and description of the levels of emergency:

Level 1 or low for emergencies that can be easily control by the transport crew;

Level 2 or medium for emergencies that require support from the supplier and the mine;

Level 3 for or high for emergencies that cannot be controlled by the transporter and the mine or the supplier must take control), transport operation description, risk identification, general description of the hazardous materials handled by the company (including sodium cyanide), preventive measures, Emergency Response Team organization according to the emergency level, incidents reporting, among other elements.

CITSSA LOGISTICS SAC has prepared a Contingency Plan based on the hazards identification and the route assessment according to Directorial Resolution approved on April 24 2009. "Guidelines for Developing a Contingency Plan for the Ground Transportation of Materials and / or Hazardous Waste in the Transport Subsector" and D.S N° 021-2008- MTC (Ministry of Transports and Communications) approved on June 9th 2008, which Art. N° 67 establishes the routes for the transportation of hazardous materials.

"The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes" review (1) September 2012, include the input from Communities, Governmental Agencies. Risk assessment for the route and includes mitigation measures (e.g. speed controls, sending the escort vehicle in to the front of the convoy to assess the route conditions).According with item

CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014



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8: Identification of Potential Risks of Land Transport and the Critical Sectors Map for the National Road Network, published by MTC.

Additionally according to the D.L. N° 1103, dated March 13 2012, review Art N° 4 and Directorial Resolution N° 350-2013-MTC/2 approved on June 17 2013 establish physical routes for Cyanide. CITSSA LOGISTICS SAC transport NaCN in small pallets, the emergency response procedures for NaCN releases take this into account and the materials available for the control of solid material releases (sweeps, shove, bags, and empty containers). Additionally, the PPE includes costumes level C and A suites, SCUBAs, latex gloves.

Additionally, CITSSA LOGISTICS SAC has a cyanide gas detector in the list of emergency response equipment and according to the checklist be available during the transport operations.

Additionally the plan includes information regarding the characteristics and health effects of NaCN (section 8.6). The scenarios consider the possibility of a cyanide spill over stagnant water, wet soil and snow. Additionally, CITSSA LOGISTICS SAC procedures (e.g. Service Planning Procedure) would prevent them from providing the service if the weather forecast is unfavorable, and they have the instructions to stop the operations in case of adverse weather. Previously mentioned the plan was prepared based on the risk identification. Additionally, the plan includes Description of the Operations during the Transport of Hazardous Materials and Waste (section 8.8). For the identification of hazards and risk assessment CITSSA LOGISTICS SAC has implemented in The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes ", procedures at the routes inspections. The literature review includes weather conditions, social aspects, environmental (hydrology, physiographic, seismicity, biodiversity). This added to the route inspection where the main route characteristics are recorded related to the route mileage marker (e.g. location of bridges, closed curves, railroad crossing), traffic conditions, telephone services, cellular phone coverage, and pedestrian presence. A portion of the reports used for the risk assessment (attached in the Contingency Plan). The risk identification based on the assessment of the route during a physical inspection. It includes the section where the curves are pronounced, the traffic intensity, the presence of pedestrians, etc. The scenarios for the emergency response based on the risk identified.

Although the vehicles characteristics are not mention in the contingency plan, the included scenarios are adequate for the type of truck and trailer used by CITSSA LOGISTICS SAC as well as for the packaging characteristics.

As previously noted, CITSSA LOGISTICS SAC has prepared a Contingency plan based on the hazards identification and the route assessment according to Directorial Resolution approved on April 24 2009. Guidelines was develop an Contingency Plan for the ground transportation of materials and or hazardous waste in the transport subsector D.S. N° 021-2008 MTC (Regulation National Land Transport of Hazardous Materials and Waste. This Law was approve by Ministry of Transports and Communications in June 9 2008) and according D.S. N° 058-2003-MTC: National Vehicle Regulations, approved by Ministry of Transports and Communications on October 7, 2003. D.S N° 021-2008- MTC establishes regulation based on the contingency plan for the transport of hazardous materials and wastes.

CITSSA LOGISTICS SAC Contingency Plan for the Ground Transport of Hazardous Materials and Wastes ", review 1 September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, date December 12, 2012, establishes Response Planning (section 9). In Sections 7, 8 and 9 of the In Sections 7, 8 and 9 of Contingency Plan for Ground Transport of Hazardous Materials and Wastes, Review in 1 September 2012, approve by Directorial Resolution No. 414-2012 - MTC/16 date December 12 2012, that establishes the functions and responsibilities of the National Health Ministry and the Hospitals to coordinate with CITSSA LOGISTICS SAC for the attention of injury people.

CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014

LEAD ASSESSOR SIGNATURE

National Police (provide support for injured people transport, support the control of hazardous materials transport, and provide support for the attention of the emergency to the firefighters), and the firefighters (to coordinate with CITSSA LOGISTICS SAC the control of the emergency). CITSSA LOGISTICS SAC does not subcontract other companies for the sodium cyanide transportation. This element does not apply.

TRANSPORT PRACTICE 3.2: DESIGNATE APPROPRIATE RESPONSE PERSONNEL AND COMMIT NECESSARY RESOURCES FOR EMERGENCY RESPONSE.

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

Summarize the basis for this Finding/Deficiencies Identified:

According to the training program, all the personnel involved in the transport operation receive 40 hrs training on annual basis as Technician on Hazmat (Hazmat III CFR1910.120 (q) (6) (i) (A) y NFPA 472. The Operators and the Convoy Supervisors are also training on annual basis on the emergency response procedures and refreshments are provide when the emergency response procedures are modify. The files for all the personnel were review and these include training on HAZMAT III during the last 12 months. Additionally, the in-house training records indicated that all the Drivers and Supervisors have received the retraining and the annual training. The Supervisors and the Operators were interview and they were familiar with their roles and responsibilities during an emergency. (E.g. the interviewed Driver Mr. Elmer Alex Martinez Segura, Driver License No. Q 40076715) during the interview the Driver proved to have detailed knowledge of the Contingency Plan and training for emergency response. In Section 9, of The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes " review 1 September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, date December 12, 2012 there is a list of all emergency response equipment. The convoy preparation procedure states that the trip cannot start unless all the emergency kit is complete. These formats are included in the operation report. Several shipment reports were review, e.g. operation planning No 1083 date March.04.2014. According to the convoy preparation procedures, the completeness of the emergency response kit is review by the supervisor. Additionally, each driver ensures its own personal protection equipment is available. These actions are document through the first response emergency kit checklist, and the truck checklist, respectively. These checklists are included in the operations report. The convoy preparation procedure states that the trip cannot start unless all the emergency kit is complete. Several shipment reports were review, e.g. operation planning No 1074 date Feb.04.2014, and operation planning No. 1083 date March 4 2014. According to the reviewed operations reports, the emergency response kit and the PPE have been available during the transport operations. As previously noted, all the Operators have received Hazmat III training. Additionally, they participate in the mock drills and receive annual training on CITSSA LOGISTICS SAC's Contingency Plan. The Employees' files and training records confirmed this practice. According to the convoy preparation procedures, the completeness of the emergency response kit is review by the Supervisor. Additionally, each driver ensures its own personnel protection equipment is available. These actions are document through the first response emergency kit checklist, and the CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014



LEAD ASSESSOR SIGNATURE

truck checklist, respectively. These checklists are included in the operations report. Several shipment reports were review; the checklists were consistently fill. According to the reviewed operations reports, the emergency response kit and the PPE have been available during the transport operations. As previously mentioned, the trip cannot start unless if the emergency kit is complete.

TRANSPORT PRACTICE 3.3: DEVELOP PROCEDURES FOR INTERNAL AND EXTERNAL EMERGENCY NOTIFICATION AND REPORTING.

The operation is

- in full compliance with
 in substantial compliance with Transport Practice 3.3
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Sections 6, 7, 8, 9 of The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes", (review (1) September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, date December 12, 2012) includes instructions for CITSSA LOGISTICS SAC's management team, the on-site response team (Convoy Supervisor, and Operators), cyanide suppliers, the mines, and other stakeholders.

Annex 07 of the Contingency Plan includes a list of contacts with the Mines, the Hospitals, Cyanide Suppliers, Police Bases, and Firefighters Departments. A small sample of the phone numbers included in the list were dial and confirm to be accurate.

Section 7.1.1 has a diagram for the notification of the emergency; this establishes the communication plan for each emergency level (1, 2 or 3 as previously discussed). It establishes that the Supervisor informs CITSSA LOGISTICS's base and from the base, all other notifications are issue. Section 7.2 of the Contingency Plan for the Ground Transport of Hazardous Materials and Wastes", review 1 September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, date December 12, 2012) establishes that it will be reviewed once per year and whenever a modification to the structure of the plan is required. The revision would be perform by The Supervisors, The Operations Manager, The Logistics Manager, The EHS Manager and Chief Executive Office.

TRANSPORT PRACTICE 3.4: DEVELOP PROCEDURES FOR REMEDIATION OF RELEASES THAT RECOGNIZE THE ADDITIONAL HAZARDS OF CYANIDE TREATMENT CHEMICALS.

The operation is

- in full compliance with
 in substantial compliance with Transport Practice 3.4
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

According D.S N° 021-2008- MTC (Ministry of Transports and Communications) approve date June 9 2008 and R.D. N° 031-2009-MTC/16 on date April 24 2009, that establish regulation base on the Contingency Plan for the transport of hazardous materials and wastes, risk insurance environmental. In sections 9 and 10 of The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes" review (1) September 2012 and approved Directorial

CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014



LEAD ASSESSOR SIGNATURE

Resolution Nr 414-2012 - MTC/16, date December 12, 2012 there are specific procedures described for different emergencies.

As previously noted, the contingency plan includes the scenarios of spill on stagnant water, for the presence of rain during the emergency, and for spill to water bodies, and spill on dry soil, among others. The procedures include the neutralization of the area with lime after the collection of the spilled material. Section 9.7.1 of The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes", (review (1) September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, date December 12, 2012) includes the prohibition of using any chemical substance such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide in water bodies.

TRANSPORT PRACTICE 3.5: PERIODICALLY EVALUATE RESPONSE PROCEDURES AND CAPABILITIES AND REVISE THEM AS NEEDED.

The operation is

- in full compliance with
- in substantial compliance with Transport Practice 3.5
- not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Section 7.2 of The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes", (review (1) September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, date December 12, 2012) establishes that it will be reviewed once per year and whenever a modification to the structure of the plan is required. The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes"(review (1) September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, date December 12, 2012) establishes that the emergency response team must stay prepared to response to emergencies and that at least one drill will be performed in coordination with the clients. The most recent drill was performed on 18 January 2014, the scenario consisted in the drop off with a cyanide cylinder (within the mine facility) releasing sodium cyanide in solid state. Additionally, practical trainings were provided in the application of antidote and in the use of class A suite an decontamination procedures (January 2013, August 2013 and December 2013, respectively). Attendance list were keep as records for the trainings and a report was prepared for the drill. As previously noted, CITSSA LOGISTICS SAC has prepared The Contingency Plan for the Ground Transport of Hazardous Materials and Wastes ", review 1 September 2012 and approved Directorial Resolution No. 414-2012 - MTC/16, date December 12, 2012) according Ministry of Transports and Communications regulations. The contingency plan establishes in section 7.2 that it will be review once per year and whenever modification to the structure of the plan is require. The revision would be perform by the supervisors, the operations manager, the maintenance manager, manager logistics, the manager EHS and CEO.

CITSSA LOGISTICS SAC S.A.C. Peru

March 24 at 26, 2014



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