

SUMMARY AUDIT REPORT

Name of Cyanide Transportation Facility: CM TECH TRADING CO., LTD (CMT)

Name of Facility Owner: Mr Sakda Nagavajra (Managing Director)

Name of Facility Operator: Mr Sakda Nagavajra (Managing Director)

Name of Responsible Manager: Mr Sakda Nagavajra (Managing Director)

Address: 59/155 Rama 2 road, Tumbon Kokkrabue, Ampur Meuangsamutsakhon, Samutsakhon

State/Province: Bangkok

Country: Thailand

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Location detail and description of operation:

Overview

Inbound shipments of cyanide containers are as follows:

CMT imports cyanide packaged in 50kg green steel drums stored in General Purpose (GP) containers from LZ Draslovka (Czech Republic – a certified ICMI production facility) via incoterms Cost Insurance and Freight (CIF) to Port of Laem Chabang [LCB], Bangkok Thailand. Thereafter GP containers are being transported by JWD InfoLogistics[JWD] from Laem Chabang shipping terminal to JWD appointed subcontractor) to JWD InfoLogistics Dangerous Goods yard located within LCB. JWD also provides land transportation from JWD dangerous goods yard to Akara Resources mining site.

Outbound shipments of cyanide containers

The reverse freight management to transport and shipped unclean empty cyanide containers applies for storage at Laem Chabang port.

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018

SUMMARY AUDIT REPORT

Auditor's Finding

This operation is

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

with the International Cyanide Management Code.

At the point of this recertification based on records reviewed, this operation has maintained full compliance with the International Cyanide Management Code throughout the previous three-year audit cycle.

During the previous three-year audit cycle, this operation did not experienced non-compliance with Code requirements, significant cyanide incidents requiring notification to ICMI and/or cyanide exposures or releases that would require disclosure under Item 9.3.3 of the Gold Mining Operations Verification Protocol.

Scope of Recertification Audit

Road transportation from port of Laem Chabang, Bangkok, Thailand to Akara Resources using JWD Infologistics Public Company Limited.

Audit Company: Danny Tan

Audit Team Leader and Technical Expert: Mr Danny Tan

E-mail: dannytan163@yahoo.com.sg

Names and Signatures of Other Auditors:

Date(s) of Audit: Audit Dates: 19 to 21 Oct 2018

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.

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018

SUMMARY AUDIT REPORT

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

in full compliance with

The operation is in substantial compliance with Transport Practice 1.1

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

[Land transport from LCB shipping terminal to JWD Dangerous Goods Yard \(DG yard\) including land transportation to Akara Resources Mine site](#)

CMT jointly conducted and reviewed comprehensive route risk assessment with JWD utilizing the Hazard based risk assessment for cyanide transportation as reflected in CMT policy and procedures dated 4th Jan 2017) to mitigate the transportation risks with appropriate risk management plans. Two land transportation routes from JWD DG yard to Akara Resources were assessed. Documents validated and sampled of verification of route assessment, one main route and associated alternate route were prescribed with the routing and time that allows the transport of the sodium cyanide with the following considerations:

- a) traffic conditions,
- b) road conditions,
- c) environmental impacts
- d) community relations and reactions
- e) daily commuting habits

Route selection was evaluated and noted that CMT conducted jointly with JWD a Route Risk Assessment covering

- a) Population Density
- b) Infrastructure construction and condition
- c) Pitch and grading
- d) Prevalance and proximity of water bodies and fog

Due considerations were given for route assessment from ship terminal to JWD DG yard. Foul weather including raining, road transportation along flyover and intersections hazard were assessed during road transportation along primary and alternate routes from JWD DG yard to Akara Resources.

CM Tech (CMT) had established risk management procedures to evaluate risks along the selected transport jointly with JWD InfoLogistics(JWD). These procedures address the evaluation of risks with a consistent matrix in the selection of the cyanide transportation routes with appropriate risk management controls. CMT policy and procedures addresses the transportation of solid cyanide from Laem Chabang Port to Akara Resources Dated revised on 4th Jan 2017. Records of routes risk assessment was conducted and reviewed in Jan 2017 to ascertain the consistent implementation of this procedure.

CMT continual implemented a process and written document focusing on daily review and evaluates routes used during cyanide deliveries by JWD trucks and drivers as part of continual risk assessment. A process on collecting feedback on route condition from the assigned transportation driver was verified.

Risk control measures were documented to address the risks which were identified as the outputs of the risk assessment conducted in the month Jan 2017. CMT gathers input from communities and other stakeholders / applicable governmental agencies through governmental engagement such as Thailand Department of Disaster Prevention and Mitigation [DDPM]

Assessment of safety and security on the requirements of escorts and whether this aspect is required during road transportation was reflected in the hazard risk assessment and deemed to be not necessary in the nature of cyanide land transportation within Thailand and the selected main and alternate routes.

DDPM was formally informed on 12 Oct 2016 whereby was aware of cyanide transportation by CMT and JWD in the event of emergency responses that requires DDPM support during incidents. (As reflected in CMT policy and procedures para 5.7.2.5) Joint risk assessment between JWD and CMT including feedbacks required from JWD after each delivery as reflected in CMT policy and procedures.

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018

SUMMARY AUDIT REPORT

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.

in full compliance with

The operation is in substantial compliance with Transport Practice 1.2

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CMT ensures that all drivers assigned by JWD possess the required driving license as well as the required class 4 licence license/certification in accordance with local applicable provincial similar requirements.

Procedure had been established and continual maintained that JWD assigned cyanide transportation drivers meet the required training and qualifications including license of drivers. Also training records. (As reflected in CMT policy and procedures 5.2)

Assigned drivers by JWD were trained on the specifics of cyanide handling and transportation to address competency requirements during a cyanide transport incident. Training records and appropriate materials were reviewed to ascertain the relevancy and applications. Interviews held with trainer along with designated driver are evident that driver are trained in this aspect and related requirements.

Procedure was established of which CMT and JWD will conducts joint training for both initial qualifications and annual refresher for assigned drivers for cyanide land transportation including reach stacker drivers in the DG yard.

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018

SUMMARY AUDIT REPORT

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

in full compliance with

The operation is in substantial compliance with Transport Practice 1.3

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CMT ensures that JWD only deploys appropriate equipment, which is designed and maintained to operate within the permitted loads of cyanide shipments. Verification was made along with implemented procedures and observation on site during interview held with JWD staff and assigned driver in accordance with records of vehicles specifications. Vehicle checklists pertaining to transportation from LCB shipping terminal to JWD DG yard and to Akara Resources mine site were reviewed as reflected in CMT policy and procedures 5.3.

Records of planned maintenance schedule for JWD DG assigned transportation were reviewed in accordance with CMT policy and procedures 5.3. These were indicative that assigned transportation was maintained and acceptable conditions as required by local authorities.

System continual to be in place to ensure that transportation process by JWD uses only preapproved pool of prime movers with specially designed chassis to mitigate the risk of overloading. Preventive maintenance programme are in place as verified as part of operation's routine and preventive maintenance regime. Vehicle checklists pertaining to transportation from LCB shipping terminal to JWD DG yard and to Akara Resources mine site were reviewed as reflected in CMT policy and procedures 5.3.

CMT requires JWD to submit all inspection checklists to be forwarded to CMT as the means to ensure that JWD meets the above elements of this Transport Practice (as reflected in CMT policy and procedures para 5.3.4)

Checklists were reviewed by CMT for shipments in the month of Aug and Nov 2016 respectively for land transportation covering LCB shipping terminal to JWD DG yard and Akara Resources Mine Site.

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018

SUMMARY AUDIT REPORT

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

in full compliance with

The operation is in substantial compliance with Transport Practice 1.4

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CMT had established and maintained procedures to ensure integrity of product within sealed GP containers from port of origin. The product is not unloaded or tampered with while in transport until final destination to Akara Resources Mine site (as reflected in CMT policy and procedures para 5.4.)

Container no: CBHL4667180 and WFHU 1A350YR that was used for the transportation of cyanide in the month of Aug and Nov 2016 to Akara Resources Mine site was reviewed indicating the presence of placards and signage UN 1689 and pictorial labels of DG class 6.1 and toxic substance including damage to environment.

Prior to cyanide transports, CMT ensures that JWD had implemented a vehicle inspection prior to each departure.

The following are verified with established and adherence to CMT policy and procedures 5.4

- Risk mitigation measures as reflected in hazard risk assessment
- toolbox meeting are conducted for assigned drivers

- Rotating shifts for drivers to ensure sufficient rest for drivers

- Transportation can be modified depending on external conditions during foul weather

- Prevention of loads from shifting during transportation

- Alcohol test are being conducted

Implemented safety programs were established for the safe transportation commensurate with local operating conditions. Overall, verified documented records including vehicle inspection checklists and on site assessment and interviews held with CMT and JWD staff and evaluated records for both shipments in the month of Aug and Nov 2016.

CMT requires JWD to submit all records for the above elements 1 to 3 for review by CMT after completion of transportation and delivery as reflected in CMT policy and procedures 5.4.4

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018

SUMMARY AUDIT REPORT

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

in full compliance with

The operation is in substantial compliance with Transport Practice 1.5

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Operationally, CMT and their contracted parties do not transport cyanide transported by sea nor air.

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



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SUMMARY AUDIT REPORT

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

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

**Summarize the basis for this Finding/Deficiencies Identified:
(Due to the sensitivity of security issues regarding storage of cyanide, no descriptions of substantial or non-compliance with this aspect of the Transport Practice should be provided.)**

CMT ensures that JWD had implemented CMT policy and procedures 5.5 Tracking of Cyanide Shipments that require transport vehicles to have in place mobile phones to enable two way communications with JWD control depot and branch manager. This was achieved JWD GPS PS tracking system tracks shipments are track live and monitoring during land transportation.

Records of monitoring and testing of communication system was conducted for shipments in the moth of Aug and Nov 2016 prior to departure and during land transportation from JWD DG yard to Akara Resources Mine site in accordance with CMT policy and procedures para 5.5.1. Checklists were verified and till date communication system was found to be functionally well. Toolbox meeting was conducted prior to departure to all personnel. This integrated system helps to mitigate the risk of communication blackouts and feedback for system review and ongoing risk assessment.

Compliance made with CMT policy and procedures para 5.5.2.3. Verification made with records of GPS monitoring and tracking for cyanide for both routes including interview held with assigned driver on the implementation of this procedure.

CMT had implemented policy and procedures 5.5 which focuses on the Tracking of Cyanide Shipments. Records of GPS tracking was verified for land transportation for shipments conducted in the month of Aug and Nov 2016.

Shipments inventory controls are in place to prevent loss of cyanide shipments during land transportation as verified with cargo management records. There are no transfers of shipments during the entire of land transportation.

On site audit on route assessment and interviews with JWD staffs were held. Along with respective delivery orders, chain of custody procedural controls and accompanying Material Safety Data Sheets (MSDS) verified with shipments records; are indicative that system is in place to ensure tracking of cyanide shipments and loss prevention.

Shipping records for land transportation in the month of Aug and Nov 2016 were verified with bill of lading and associated MSDS and was indicative the amount of cyanide during the land transportation from LCB shipping terminal and final destination to Akara Resources Mine site.

CMT requires JWD to submit all records for the above elements 1 to 6 for review by CMT after completion of transportation and delivery as reflected in CMT policy and procedures 5.5.10

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018

SUMMARY AUDIT REPORT

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.

in full compliance with

The operation is in substantial compliance with Transport Practice 2.1

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The interim storage is situated within the Port of Laem Chabang and managed by JWD infoLogistics. Due diligence was conducted on 19th Oct 2018.

Warning signs are visible in both Thai and English language at the entrance of the DG yard as reviewed during the onsite visit to JWD DG yard.

(Reference: CMT policy and procedures 5.6 Interim Storage and corresponding checklist for JWD DG warehouse site visit checklist)

Security is being ensured with security post managed by outsourced security services as observed during on site visit. Visitors access control is in place and monitored for entrance to JWD yard including areas designated for cyanide storage.

Segregation of cyanide storage in DG yard managed by JWD as observed during on site visit to JWD DG yard in accordance with JWD DG location plan as part of safety management plan for DG storage.

Cyanide is being stored outdoor which is designed for DG storage managed by JWD. CMT checklist implemented for JWD DG yard reviewed for effective drainage especially after raining.

Cyanide is stored outdoor which is designed for DG storage managed by JWD. CMT checklist implemented for JWD DG yard reviewed covering effective and adequate ventilation.

Salvage drum is made available by JWD to contain the volume of largest single drum of cyanide in the vent of spillage occur within JWD DG yard. This procedure and corresponding processes is being spelt out in CMT policy and procedures 5.6 Interim Storage and corresponding checklist for LCB DG yard. In CMT context, one drum of 50kg cyanide is 60 litres in volume.

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



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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.

in full compliance with

The operation is in substantial compliance with Transport Practice 3.1

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CMT had jointly implemented emergency response plans (ERP) [Procedure with JWD covering the following key nodes of supply chain:

- land transportation from LCB to JWD DG yard
- JWD DG yard
- JWD DG yard to Akara Resources Mine site

Respective classifications of incidents correspond with incident response structure resulting from the outputs provided by the CMT hazard risk assessment CMT ERP taking into accounts the physical and chemical form of cyanide during accidental release and plans are reflective to provide due considerations.

CMT had developed the ERP giving due considerations the various nodes of supply chain in accordance with the scope of verification as follows:

- land transportation from LCB to JWD DG yard
- JWD DG yard

(also implemented in accordance with Health and Safety regulations as required by Port of Authority Thailand [PAT]

- JWD DG yard to Akara Resources Mine site

CMT had conducted risk assessment for three aspects of transport infrastructure; Vessel to DG yard, DG yard and DG yard to Akara Resources Mine site.

CMT considered the design of JWD DG yard when developing the Emergency Response Plan for interim storage including the condition and design of assigned trucks for cyanide transportation by JWD.

Respective classifications of incidents correspond with incident response structure taking into account the potential incidents that may occur such as chemical spill during land transportation or within JWD DG yard. Communications with external responders such as Department of Disaster Prevention and Mitigation and Port of Authority Thailand (DDPM) were established covering integrated response.

A communications record with DDPM for both shipments in the month of Aug and Nov 2016 was verified indicating DDPM support for CMT and JWD in the case of emergency response required along the cyanide land transportation route(s). Respective roles and responsibilities are being reflected in the implemented ERP covering the Port of Authority Thailand and Department of Disaster Prevention and Mitigation.

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

in full compliance with

The operation is in substantial compliance with Transport Practice 3.2

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CMT conducts joint training and test and exercises including development of ERP with JWD. ERP training was conducted on both occasions from 10 & 14 Jun 2016 and 1 & 3 Jul 2017 covering the characteristics, handling of cyanide during land transportation, usage of personal protective equipment and usage of transportation vehicles. Records were verified and are indicative that due coverage was given for ERP training of appropriate personnel such as drivers.

CMT and JWD jointly established specific emergency response duties and responsibilities of personnel as part of overall ERP plan. The incident response structure is common to all three nodes of supply chain in order to have an effective and timely ERP response in the event of occurrence of incident. These were highlighted during the conducted ERP training.

List of equipment is being reflected within the associated checklist and verified with driver prior to departure during tool box meeting.

Emergency response equipment and Personal Protective Equipment reflected within the associated checklist were made available for prior to departure for land transportation. Through interview with CMT and JWD this was confirmed as part of verification for the overall conduct of tool box meeting.

CMT conducts joint training and test and exercises including development of ERP with JWD. ERP training was conducted on both occasions from 10 & 14 Jun 2016 and 1 & 3 Jul 2017 covering the characteristics, handling of cyanide during land transportation, usage of personal protective equipment and usage of transportation vehicles.

CMT implemented procedures to inspect ERP equipment as part of pre departure checks mandatory for drivers prior to departure for land transportation.

CMT conducts joint training and test and exercises including development of ERP with JWD. ERP mock drill was conducted on both occasions from 10 & 14 Jun 2016 and 1 & 3 Jul 2017 with scenario of chemical spill for the respective 3 nodes of supply chain:

- land transportation from LCB to JWD DG yard
- JWD DG yard
- JWD DG yard to Akara Resources Mine site

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018

SUMMARY AUDIT REPORT

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

in full compliance with

The operation is in substantial compliance with Transport Practice 3.3

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Procedures established for notification of JWD and external response providers. (Reference - CMT emergency response plan dated 4th Jan 2017 and joint ERP)

Systems are in place to ensure that internal and external emergency notification and reporting procedures are kept current such as provision for review of ERP and periodic update of contact information for both internal and external responders such as Department of Disaster Prevention and Mitigation Thailand

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018

SUMMARY AUDIT REPORT

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

in full compliance with

The operation is in substantial compliance with Transport Practice 3.4

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Compliance made as CMT had a list of external responders provided by department of disaster and Emergency Preparedness services. (Reference - CMT emergency response plan dated 4th Jan 2017 and joint ERP) covering the various aspects of recovery within driver control or disposal of spill clean debris by DDPM and PAT and JWD Emergency team.

Procedure is being established in prohibiting the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water (Reference - CMT emergency response plan dated 4th Jan 2017 and joint ERP). This procedure is being reiterated during toolbox meeting as demonstrated during interview with CMT staff.

Name of Facility: CMT

Signature of Lead Auditor
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Date: 16 Dec 2018

SUMMARY AUDIT REPORT

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

in full compliance with

The operation is in substantial compliance with Transport Practice 3.5

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CMT make provisions for periodically reviewing and evaluating established ERP continual adequacy to identified hazards and probable scenarios.

CMT conducted mock or simulated drills on both occasions from 10 & 14 Jun 2016 and 1 & 3 Jul 2017 for the established ERP in demonstrating that the established ERP has been implemented. Based on reports reviewed it was ascertained that the ERP had been implemented and ERP effectiveness evaluated and is appropriate.

CMT had established procedure to evaluate ERP performance which is at least once a year after its implementation and made revision to ERP if deemed necessary.

Name of Facility: CMT

Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018

SUMMARY AUDIT REPORT

Summary of Due Diligence Investigations (DDI) of Port Facilities conducted with regards to CMT context of operations at Laem Chabang.

Port Facility: Laem Chabang

Scope of DDI: To verify and ascertain compliant of ICMI requirements for Transport Practice 1.1, 1.2, 1.3, 1.4 and 2.1.

Date: 16 Jul 2015

Auditor: Danny Tan (ICMI transportation technical expert and lead auditor)

Auditees:

JWD InfoLogistics Staff: Mr Wadchara Mungsang

CMT Managing Director: Mr Sakda Nagavajra

Conduct of DDI:

A physical site review was conducted with JWD staff including documentation and records for safety management programme for handling of sodium cyanide. Review transport and storage of cyanide in a manner that minimizes the potential for accidental releases. JWD had documented ERP for the potential spillage of Dangerous Goods. Examine development and implementation of a safety program for transport of Cyanide with relevant training records and interview with respective staff responsible for land transportation and management of JWD dangerous goods yard.

Evaluation:

At the point of the due diligence investigations based on observed activities, site review, interviews, and reviewed of respective records; the outcome of DDI for JWD was found to be compliant with the stated ICMI requirements.

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Signature of Lead Auditor
& Technical Expert



Date: 16 Dec 2018