

Cyanide Transportation
Summary Audit Report
For The
International Cyanide Management Code and
CESLOG CESARI LOGÍSTICA LTDA

www.cyanidecode.org

August 2019

The International Cyanide Management Code (hereinafter “the Code”), this document, and other documents or information sources referenced at www.cyanidecode.org are believed to be reliable and were prepared in good faith from information reasonably available to the drafters. However, no guarantee is made as to the accuracy or completeness of any of these other documents or information sources. No guarantee is made in connection with the application of the Code, the additional documents available or the referenced materials to prevent hazards, accidents, incidents, or injury to employees and/or members of the public at any specific site where gold is extracted from ore by the cyanidation process. Compliance with this Code is not intended to and does not replace, contravene or otherwise alter the requirements of any specific national, state or local governmental statutes, laws, regulations, ordinances, or other requirements regarding the matters included herein. Compliance with this Code is entirely voluntary and is neither intended nor does it create, establish, or recognize any legally enforceable obligations or rights on the part of its signatories, supporters or any other parties.

SUMMARY AUDIT REPORT FOR CYANIDE TRANSPORTATION OPERATIONS

Instructions

1. The basis for the finding and/or statement of deficiencies for each Transport Practice should be summarized in this Summary Audit Report. This should be done in a few sentences or a paragraph.
2. The name of the cyanide transportation operation, lead auditor signature and date of the audit must be inserted on the bottom of each page of this Summary Audit Report.
3. An operation undergoing a Code Verification Audit that is in substantial compliance must submit a Corrective Action Plan with the Summary Audit Report.
4. The Summary Audit Report and Corrective Action Plan, if appropriate, for a cyanide transportation operation undergoing a Code Verification Audit with all required signatures must be submitted in hard copy to:

International Cyanide Management Institute (ICMI)
1400 I Street, NW, Suite 550.
Washington, DC 20005, USA
Tel: +1-202-495-4020
5. The submittal must be accompanied by 1) a letter from the owner or authorized representative which grants the ICMI permission to post the Summary Audit Report and Corrective Action Plan, if necessary, on the Code Website, and 2) a completed Auditor Credentials Form. The lead auditor's signature on the Auditor Credentials Form must be certified by notarization or equivalent.
6. Action will not be taken on certification based on the Summary Audit Report until the application form for a Code signatory and the required fees are received by ICMI from the applicable cyanide transportation company.
7. The description of the cyanide transport company should include sufficient information to describe the scope and complexity of its operation.

SUMMARY AUDIT REPORT

Name of Cyanide Transportation Facility: Ceslog Cesari Logística Ltda
Name of Facility Owner: Ceslog Cesari Logística Ltda.
Name of Facility Operator: Ceslog Cesari Logística Ltda.
Name of Responsible Manager: URbino Ornelas Pontes
Address: Rua Claudino Domingues Graça 381, Jardim das Indústrias, Cubatão
State/Province: São Paulo
Country: Brazil
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Location detail and description of operation:

The Ceslog Cesari Logística Ltda is focused on the road transportation of dangerous products operations, without interim storage. The operation is located at Cubatão town, São Paulo, southeast of Brazil) and lit transports cyanide. The operation trucks, specifically designed and bought to transport cyanide containers, are remotely monitored 100% during the travel between the seller and the final client and equipped with on board computer. The operation drivers are qualified, based on the Brazilian legislation, to transport cyanide and others hazardous chemical products. Ceslog transports solid cyanide packaged in wood boxes containing big bags (1,000 kg each). It does not transport liquid cyanide



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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.

- * 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.

Auditing Company: Ferreira & Cerqueira Ltda.

Audit Team Leader: Luiz Eduardo Ferreira (ICMI qualified lead auditor and transportation qualified TEA (technical expert auditor)).

E-mail: luizeferreira2015@gmail.com

Names and Signatures of Other Auditors: Not applicable

Date(s) of Audit: 06.05.2019 ~ 09.05.2019 (on-site) and 24.05.2019 (off-site).

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 Operational Cyanide Transportation Verification Protocol and using standard and accepted practices for health, safety and environmental audits.



SUMMARY AUDIT REPORT

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:

Yes. Ceslog defined, implemented and maintained an internal documented procedure POP.C.04 revision 01 “Elaboração, atualização e disponibilização de rotogramas” to implement a process for issuing, updating and accessing selecting transport routes that minimizes the potential for accidents and releases which provides in item 6.2 the methodology to identify and select appropriate and safer routes to transport dangerous products from the producer to the consumer. Evidenced the used routes for cyanide transportation consider the population density along the route, the infrastructure (asphalt, double or single speedway, gas stations, police stations, emergency stations, communication, shadow areas for communication), the condition of the route (under maintenance, holes, without asphalt), weather conditions (such as fog, fire, rain) and surface waters (rivers, creeks, lakes), risks points, stopping points, fooding places , phone numbers (Civil Defense, Federal Road Police). Evidenced that Ceslog performs the process of updating of used cyanide transport routes.

All drivers receive the pertinent Rotogram (“Rotograma” – In accordance with Brazilian regulations “rotograma” is a list of routes a vehicle will travel with information other than provided itinerary, such as restricted uses time, authorized alternative routes, refueling points, overnights points, basic road infrastructure) for the cyanide transportation before each transportation. All cyanide transportation drivers receive trainings based on the above mentioned rotograms.

Ceslog implemented a procedure to evaluate the risks of selected cyanide transport routes and take the measures necessary to manage these risks Ceslog identified and evaluated the risks related to the routes A and B for cyanide transportation risks as required by procedure POP.C.04. The risks are evaluated and classified as defined in same documented procedure POP.C.04 in item 6.3. Ceslog implemented operational control by an automatic control named such as speed limit, driver qualification and training, truck maintenance, pre-traveling brief with the driver, planned transport observations, full time monitoring of the truck from a remote station performed by a qualified supplier and limited traveling time in order to mitigate the risks related to the transport through logistic monitoring.



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Ceslog defined in procedure POP.C.04 item 6.6 that annually reevaluate routes A and B (main and alternative respectively) for cyanide deliveries and it has a process for getting feedback on route condition from the cyanide's drivers. Evidenced that in cyanide transportation the drivers give documented feedback about the conditions of used routes after each travel through the pertinent checklist which is identified as "Feedback de retorno de viagem". This travel report is reviewed by the operations officer and, when necessary, the route plan is updated and the risks re-evaluated. Evidenced check list duly implemented.

Ceslog documented the measures taken to address risks identified with the selected routes Evidenced a travel plan that identifies all existing risks at the routes used for cyanide transportation. Noted that before each travel, the drivers have to prepare the record identified as "Check list de equipamentos de segurança veicular" required in accordance with Brazilian regulations which includes items related to: documentation of drivers, documented procedures such as Driver's Manual, Emergency Plans, identification and number of truck, safety placards, personal protective equipment (PPE), capacity truck informations, UNO (" Organização das Nações Unidas" - United Nations) number, emergency kits, safety equipment, driver data, product vendor data, observations and signature of the responsible.

Ceslog seeks input from communities, other stakeholders and applicable governmental agencies as necessary in the selection of routes and development of risk management measures. Ceslog contacts the Brazilian Federal Road Policy, the tracking contractor (named Onix Sat)), the contractor risk management system (named Brasil Risk) the roads administration contacts (BA 324 – Via Bahia – 08006000324; BR 116 – Via Bahia – 08006000116, BA 093, BA 512, BA 521, BA 524, BA 526, BA 535, - Bahia Norte – 08006000093) in order to define the best route and avoid potential problems along the selected route

Ceslog uses escorts previously evaluated, selected and qualified when contract review indicates that this should be a control during the transport (safety and security) as defined in internal documented procedure POP.C.01 – "Contract review of proposal"

Ceslog advised external responders, medical facilities and communities of their roles and/or mutual aid during an emergency response. Ceslog has a methodology to communicate the Brazilian Federal Road Policy, the road administration authorities (BA 324 – Via Bahia – 08006000324; BR 116 – Via Bahia – 08006000116, BA 093, BA 512, BA 521, BA 524, BA 526, BA 535, - Bahia Norte – 08006000093), the insurance company (Sampa Seguros) and the emergency responders (Suatrans) their roles in an emergency involving the dangerous products transportation.



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Evidenced that Ceslog subcontracts cyanide transport companies and that Ceslog implemented a procedure to ensure that subcontractors meet all applicable requirements of Cyanide Code including elements 1 thru 7 of the Transport Practice 1.1. Ceslog defined, implemented and maintained internal documented procedure POP.A.01 Contratação e critérios para serviços de Transporte Rodoviários, Evidenced that Ceslog communicated to all transport subcontracted they shall implement criteria in accordance with the requirements of Cyanide Code. Ceslog implemented a very strong system in order to evaluate if all the subcontractors are implementing their activities as required by Cyanide Code.

The operation is in full compliance with
 in substantial compliance with Transport Practice 1.2
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

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.*

Ceslog uses only trained, qualified and licensed operators for transporting cyanide as required by the applicable Brazilian legislation for the road transport of dangerous products. Evidenced that all drivers have required permits such as “CNH Carteira Nacional de Habilitação”(professional driver permit) and special license named MOPP “Movimentação Operacional de Produtos Perigosos” which professional drivers must have in order to transport dangerous products as stated by Brazilian regulations. Evidenced duly implemented. Ceslog defined health requirements, psychological evaluation, education requirements experience, training needs including training in defensive driving and provides annual refresh training, including first aid to the drivers, The health record named ASO (“Atestado de Saúde Ocupacional” – Occupational Health Certification) were reviewed and found that are duly established.

Ceslog documented procedure POP.COR.TED.02 – “Desenvolvimento e Capacitação dos Colaboradores” which defines methodology for planning, performing, controlling and evaluation of trainings. It is defined that all legal requirements related to quality, environmental, safety and health occupational safety must be considered. It includes internal and external trainings. It is defined that Ceslog shall establish and control specific records identified as PAT (Training Annual Plan) and LNT (Training Needs Identification). The trainings are classified in three types such as mandatory, technical and behavior trainings.



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Evidenced that is an integration training in which the Ceslog's processes are explained. It is on the job training in order to qualify the new employee to do their pertinent activities. Based on LNT (Training Needs Identification). It is defined the PDCA (Plan, Do, Check, Act) cycle for training activities. Noted the above mentioned POP.COR.TED.02 – “Desenvolvimento e Capacitação dos Colaboradores” also defines methodology for training effectiveness evaluations.

Evidenced that Ceslog trained all personnel operating transport equipment to perform their jobs in a manner that minimizes the potential for cyanide releases and exposures. Interviewed personnel showed to be aware of cyanide characteristics. Evidenced training plans for drivers and others functions about cyanide. Evidenced that procedure POP.RH.03.07 “Treinamento e desenvolvimento de pessoal” defines all steps in order having an efficient management cyanide training. Evidenced that cyanide trainings have been performed to all pertinent personnel in accordance with Cyanide Code requirements.

Evidenced records of training duly implemented and controlled. Sampled examples were: Training in transportation of cyanide, what and how to do in cases of incidents and or accidents and PPE. Evidenced records of training activities such as 2018 Training Needs, 2019 Training Needs, Training Plans, Training Follow-up activities, Training records, Evaluation of training records duly managed and treated as controlled records.

Evidenced that Ceslog subcontracts cyanide transport companies and that Ceslog implemented a procedure to ensure that subcontractors meet all applicable requirements of Cyanide Code of the Transport Practice 1.2. Ceslog defined, implemented and maintained internal documented procedure POP.A.01 Contratação e critérios para serviços de Transporte Rodoviários, Evidenced that Ceslog communicated to all transport subcontracted they shall implement criteria in accordance with the requirements of Cyanide Code. Ceslog implemented a very strong system in order to evaluate if all the subcontractors are implementing their activities as required by Cyanide Code.



SUMMARY AUDIT REPORT

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:

Evidenced that Ceslog only use equipment designed and maintained to operate within the loads it will be handling. Evidenced that Ceslog uses appropriate equipment to transport cyanide. According to the Brazilian legislation, a public authority shall inspect all trucks used to transport dangerous products including cyanide in order to be approved to transport such kind of products. Evidenced that all trucks are licensed as required which means that they have CIV – “Certificado de Inspeção Veicular” and CIPP – “Certificado de Inspeção para Transporte de Produto Perigoso” when applicable.. Evidenced duly implemented

Ceslog implemented procedures to verify the adequacy of the equipment for the load it must bear. Evidenced that Ceslog established internal documented procedure POP.M02.10 – “Manutenção de veículos, equipamentos, isotanks, containers, carretas e cavalos mecânicos” which defines the methodology for preventive and corrective maintenance. Evidenced that Ceslog implemented preventive maintenance as required.

Ceslog defined and implemented a methodology in which before loading the cargo container, the driver reviews the transportation documentation in order to verify the cargo weight and confirm that the truck is capable to transport.

According to Brazilian transport legislation there is a maximum load capacity allowed per truck to transit in the roads. There are control points along the route to verify the cargo weight (weight stations) and to review the cargo documentation. Control points along the roads issue a weight record that is brought to the company with the transport documentation. Driver Manual establishes that all drivers shall verify the adequacy of load capacity in order to prevent overloading of the transport vehicle.

Evidenced that Ceslog implemented a very strong system in order to evaluate if all the subcontractors are implementing their activities as required by Cyanide Code to ensure its subcontractors meet all applicable requirements of Cyanide Code of this Transport Practice 1.3. This requirement is not applicable to the audited operation related to handling of cyanide since because none cyanide handling is performed by Ceslog and also because Ceslog does not subcontract any handling of cyanide. Interviewed subcontractors showed that they are aware of their responsibilities under the Code



SUMMARY AUDIT REPORT

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:

Ceslog implemented procedures to ensure that the cyanide is transported in a manner that maintains the integrity of the producer's packaging. Ceslog defined procedure POP.I.01 "Inspeção de entrada e saída de Conjuntos rodoviários" which clearly defines all necessary inspections (entrance and exit). Interviewed personnel showed to be aware of requirements to maintain the integrity of the cyanide producer's packaging. Evidenced that Ceslog uses of an appropriate form identified as F.012.03 and named as "Registro de inspeção de entrada e saída de veículos" which is issued each travel for cyanide Evidenced duly implemented

Ceslog implemented the Operational Driver's Manual which all drivers must keep with them during all cyanide transportation. The mentioned Manual establishes the truck containing cyanide shall be clearly identified through the use of placards and others signage in accordance Brazilian legislation of road dangerous products transport. Besides, Ceslog established internal documented procedure identified as POP.I.01 Inspeção de entrada e saída de Conjuntos rodoviários which defines that the presence of such placards shall be verified before each travel. The pertinent inspection results are recorded in a specific check list, named "Registro de inspeção de entrada e saída de veículos". Evidenced the above mentioned check list duly established and maintained as stated

Ceslog implemented a safety program for cyanide transport that includes vehicle inspections prior to each departure/shipment including the inspection of the truck, the inspection of the emergency resources, the inspection of the communication and tracking system, the inspection of the tachographs, the inspections of the PPE- personnel protective equipment, the verification of the driver and cargo documentation. Evidenced vehicle inspections records prior to each departure/shipment duly implemented.

Evidenced that Ceslog implemented a safety program for cyanide transport that includes a preventive maintenance program. Verified that Ceslog defined and implemented an effective preventive maintenance program for all trucks and platforms in accordance with trucks manufacturer. Qualified dealers perform the preventive maintenance. Evidenced maintenance records duly maintained.



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Ceslog implemented a safety program for cyanide transport that includes limitations on operator or drivers' hours. Defined at POP.A.01 as well as Operational Driver's Manual (Item 5) and which require limitations on operator or drivers' hours in accordance Brazilian regulations. It is defined a maximum driving time of 10 hours, including one hour for lunch one hour for dinner, and a 15-minute rest every two hours of driving as required by Brazilian Law 13.103. The driver is not allowed to drive at night. he working hours are controlled through the remote tracking station. Evidenced properly implemented.

Ceslog implemented a safety program for cyanide transport that includes procedures to prevent loads from shifting. Evidenced that the truck/ platform is specifically designed to transport containers and it has pin lockers that are inspected by the driver before each journey, and prevent the containers from shifting. Evidenced inspection records duly maintained, as well as the available trucks and platforms in the field audit

Ceslog implemented a safety program for cyanide transport that includes procedures by which transportation can be modified or suspended if conditions such as severe weather or civil unrest are encountered. It is defined in safety policies as well as the item 5 of the Operation Driver's Manual, that in the event of stormy or hard rain, wind conditions, ice rain, the transport activity shall be stopped or even not allowed to begin.

Ceslog implemented a safety program for cyanide transport that includes a drug abuse prevention program which was accepted by all drivers, in which all of them before the beginning of a journey pass through an alcohol detection test and annually, during the occupational health-monitoring program, the drivers pass through a drug detection test. Evidenced records of alcohol and drug test are duly implemented as required.

Ceslog implemented a safety program for cyanide transport that includes retention of records documenting that the above activities have been conducted. Ceslog defined and implemented a process to manage all records related to its activities. All requested records were promptly retrievable and are adequately maintained by the operation.

Ceslog implemented a very strong system in order to evaluate if all the subcontractors are implementing their activities as required by Cyanide Code to ensure its subcontractors meet all applicable requirements of Cyanide Code of this Transport Practice 1.4. This requirement is not applicable to the audited operation related to handling of cyanide since because none cyanide handling is performed by Ceslog and also because Ceslog does not subcontract any handling of cyanide. Interviewed subcontractors showed that they are aware of their responsibilities under the Code



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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:

This transport practice is not applicable to the operation scope. The operation scope is road transportation.

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: (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).

The transport vehicles are provided with means to communicate with the transport company, the mining operation, the cyanide producer or distributor and/or emergency responders. Evidenced that the transport vehicle is provided with tracking systems (on board computer), using GPS signal Evidenced duly implemented.

Ceslog periodically tests communication equipment such as cell phones, in addition to GPS equipment, to ensure the equipment functions properly. The communication system (cell phone and GPS) is tested before each travel, and periodically checked during the trip. Evidenced duly implemented

The tracking system has no blackout areas. Evidenced during the field audit and through interviews with the drivers.

Ceslog implemented systems to track the progress of cyanide shipments. All trucks are monitored 100% of the time, by a remote control station, by the operation headquarters and the tracker provider The transport vehicle is provided with tracking systems (on board computer), using GPS signal. Evidenced duly implemented.



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Ceslog implemented a chain of custody documentation to prevent loss of cyanide during shipment records according to the Brazilian laws. The documentation is verified prior the transportation and before the unloading at final operation. Evidenced duly implemented. The transport documentation clearly identifies the amount of cyanide being transported and the product MSDS is part of this documentation. Evidenced the following documentation: Brazilian MSDS identified as "FISPQ – Ficha de Informação de Segurança de Produto Químico" for Sodium Cyanide – NaCN issued by Unigel Proquigel revision 9 dated on July 10, 2017 which provides several kinds of informations such as: Standard References (ABNT NBR 14725 - 1, ABNT NBR 14725 – 2, ABNT NBR 14725 – 3 and ABNT NBR 14725 – 4; Emergency phone contacts; Hazards identification; First Aids Measures; Actions in case of fire, spill and leakage; Handling; Storage; Transportation Conditions; Individual Protection; Physical and chemical Characteristics; Stability and Reactivity; Toxicological Informations; Ecological Informations; Final disposal and Transportation Informations Alvará de Localização. Ceslog uses several chain of custody documents to identify the amount of cyanide in transit. The main documents are: Collect Order (OC); Exit Invoice (NF) and Eletronic Transportation Knowledge (CTE), Evidenced Collect Orders, Exit Invoices and Eletronic Transportation Knowledge duly established and maintained indicating the amount of solid cyanide transported as stated.

Ceslog implemented a very strong system in order to evaluate if all the subcontractors are implementing their activities as required by Cyanide Code to ensure its subcontractors meet all applicable requirements of Cyanide Code including elements 1 thru 6 of this Transport Practice 1.6. This requirement is not applicable to the audited operation related to handling of cyanide since because none cyanide handling is performed by Ceslog and also because Ceslog does not subcontract any handling of cyanide. Interviewed subcontractors showed that they are aware of their responsibilities under the Code

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



SUMMARY AUDIT REPORT

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

This principle is not applicable to the operation scope because Ceslog does not practice interim storage of cyanide.

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:

Ceslog developed and implemented an Emergency Response Plan identified as Ceslog Plano de Atendimento a Emergencia (Ceslog PAE), coded as PLSS03 It incorporates an Annex 01 which is specific for cyanide which includes: cyanide characteristics, cyanide transportation information, rotogram, first aid measures; PPE personnel protection equipment, first aid kits, data for health area, data for Safety area; pertinent responsibilities (driver, Ceslog Emergency Team, Suatrans Emergency Team others interested parties). Additionally evidenced a second Emergency Plan issued by Suatrans which is a specialized company in emergency response involving hazardous chemicals, Suatrans acts in accordance with the Ceslog Emergency Action Plan that guide the overall performance of their teams, all of them highly trained, acting with the support of specially developed equipment to perform the best possible care expertise company related to with Emergency Responders for Dangerous Products. This second Emergency Plan is named Suatrans Plano de Atendimento Emergencial para o Transporte Nacional de Produtos Perigosos".It is a general plan for chemical dangerous products transportation which includes the sodium cyanide. Evidenced that the plans are specific for the transportation of solid cyanide. Ceslog does not transport liquid cyanide. Noted that the plans are specific for the road transportation of solid cyanide, by truck. Ceslog does not transport liquid cyanide. The plans are specific for the truck configuration being used to transport solid cyanide. Ceslog does not transport liquid cyanide.



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It defines responsibilities, emergency situations, communication with interested parties (Civil Defense, Environmental Agencies, Firefighters Corp. Municipality organisms, Water Supply and Treatment Company, Military Police, Federal Road Police, Federal Police. The possible emergency situations and pertinent procedures are included in Suatrans PAE. Evidenced that Ceslog PAE is Emergency Response Plan that considers specific properties of cyanide as above mentioned. It includes responsibilities and authorities (general director, health and safety coordinator, operational manager, quality management manager, route manager, operational assistant and Suatrans (external emergency response company).

The Ceslog Plan clearly defines what to do in case of incident / accident during cyanide transportation. The characteristics and risks of cyanide are properly documented. Interviewed personnel showed to be aware of cyanide characteristics and the matters related to cyanide emergency plan.

Ceslog developed an appropriate plan for the selected transportation route. Ceslog developed as already mentioned, (Ceslog PAE) for the specific circumstances for the used route to transport cyanide .The risks associated to the used routes were identified and evaluated as already mentioned and the emergency response plans are focused on the identified and evaluated risks. They consider the available infrastructure and resources available in the used routes. Ceslog does not practice the use of interim storage facility. Evidenced that the plans are specific for the transportation of liquid and briquettes cyanide. Interviewed personnel showed to be aware about solid and liquid properties of cyanide. Noted that the plans are specific for the road transportation of cyanide, by truck. (flat platform truck, with pin lockers, specifically designed to transport metallic sea containers)

Evidenced that the Plans consider the specific conditions of the selected routes and the risk analysis performed for the selected routes. As previously mentioned, the risks associated to the selected routes were identified and evaluated. The emergency response plan is focused on the identified and evaluated risks, also considering the available infrastructure and resources available in the selected routes. The plans are specific for the truck configuration being used to transport the cyanide and describe the specific response actions that shall be applied to each emergency situation, such as accident with fire, fall into a river, cyanide leakage on a rainy day, among other specific emergency scenarios.

Evidenced that the emergency plans describe the roles of several stakeholders that should be involved in the emergency response, such as road policy, emergency responders and rescuers, first aid stations along the route, reference hospitals, and environmental authorities.



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

The operation is in full compliance with
 in substantial compliance with Transport Practice 3.2
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Ceslog provided emergency response training of appropriate personnel. Ceslog has its own Emergency Response Team composed by six emergency experts. Evidenced that all of above mentioned team has been made training in emergency situations including with cyanide. Sampled examples were: response to chemicals spill (use of products and equipment, fighting spills in water bodies, environmental monitoring spills chemicals), emergency response, brigades training, chemicals emergency brigades; fire fighting; training and recycling; first aid, industrial rescue, training of civil fire, occupational safety (CIPA training, protective equipment, safety with electricity, safety at work with flammable and combustible). Evidenced that Ceslog already provided emergency training for drivers, emergency coordinators and emergency response members related to cyanide emergency response as already mentioned. Records of training were evidenced as stated. Evidenced that both above-mentioned plans include and clearly define the specific emergency response duties and responsibilities of involved personnel. All emergency related materials are listed in the Driver's Manual and are checked before each travel. The driver's manual defines the required emergency equipment that shall be available at the truck, such as face mask, gloves, flashlight, signage, fire extinguishers (ABC type), rubber boots, safety helmet and glasses, overall Tyvec, antidotes, brush, cords, MgO ("óxido de magnésio" - magnesium oxide) powder and plastic blankets. The emergency kit is inspected before each travel. Evidenced records of emergency kit inspections duly established and maintained as required. Ceslog provided to cyanide vehicle operators in order to ensure that all of them received initial and periodic refresher training in emergency response procedures including implementation of the Emergency Response Plan. Interviewed personnel showed to be aware of cyanide Emergency Response Plan. The emergency kit is inspected before each travel. Evidenced records of emergency kit inspections duly established and maintained as required.



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Ceslog clearly delineated the roles and the responsibilities of the subcontractor during an emergency response. Evidenced that internal documented procedure coded as PLSS 03 revision 23 clearly defined and delineated the roles and the responsibilities of the subcontractor during an emergency response. Evidenced that Ceslog PAE is available to all subcontracted. Evidenced that all subcontracted personnel is trained and qualified by the same manner that is required for own Ceslog's personnel. Evidenced that subcontracted participate of mock emergency drill. Evidenced that all subcontracted are evaluated and need to be qualified in order to be contracted. Interviewed personnel showed to be aware of their roles and responsibilities during an emergency response.

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:

Ceslog developed procedures and current contact information for notifying the shipper, the receiver/consignee, regulatory agencies, outside response providers, medical facilities and potentially affected communities of an emergency. Ceslog defined methodology for notification of appropriate parties/ stakeholders in the event of a cyanide release or exposure during transport. The entities requiring notification are clearly identified. Ceslog defined how information is kept updated. Evidenced that internal documented procedure PLSS03 revision 23 mentions that there is an emergency phone list including all interested parties. Sampled examples were: Federal Road Police, São Paulo Road Police, Military Police, Civil Defense, São Paulo Firefighter Corp, Environmental Agencies (CESTESB, CRA, FEPAM, IPAAM), ABIQUIM, Emergency Companies (SUATRANS, SOS COTEC) , Cyanide Producer (Proquigel Camaçari and Candeias)

Ceslog implemented systems to ensure that internal and external emergency notification and reporting procedures are kept current. Evidenced that Ceslog PAE - PLSS03 revision 23 clearly establishes methodology for internal and external emergency notification and reporting procedures. Ceslog clearly defined how information is kept updated. Evidenced duly implemented.



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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:

Ceslog contracted SUATRANS to implement procedures for remediation, 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. Evidenced that PLSS03 revision 23 defines SUATRANS's responsibilities for the remediation, decontamination of soils or other contaminated media and management and/or disposal of spill clean-up debris that shall be applied in the event of cyanide related emergencies. Evidenced that the methodology defined is in accordance with Cyanide Code.

Ceslog prohibited the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water. Evidenced that item 6 of Ceslog PAE PLSS03 revision 23 clearly defines that chemical products, such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide, are prohibited to be used in the event of solid cyanide releases in surface waters along the route.

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

Ceslog included in the plan provisions for periodically reviewing and evaluating the Plan's adequacy and they are being implemented. The current revision status of Ceslog PAE defines that the frequency for review and revise (if necessary) is annual in the minimum both Suatrans PAE as well as Ceslog PAE.



SUMMARY AUDIT REPORT

Summarize the basis for this Finding/Deficiencies Identified:

Ceslog defined an internal documented procedure PSS03.05 –“Mock emergency drill” including both internal and external situations of emergencies. Evidenced that simulation activities related to their emergency plans include, when appropriated, one specific exercise in conjunction with the emergency responder expert. Evidenced that Ceslog conducted mock emergency drills which include both cyanide release and exposure incidents.

Ceslog included in the plan provisions for periodically conducting mock emergency drills which include both cyanide release and exposure incidents and they are being implemented. Ceslog planned and implemented mock emergency drills, related to its emergency plans (Suatrans PAE as well as Ceslog PAE) and in conjunction with the emergency responder expert. Evidenced that Ceslog conducted mock emergency drills. Evidenced that the simulated were properly performed in accordance the previously planning as well as the ICMI requirements.

Ceslog included in the plan a procedure to evaluate the Plan’s performance after its implementation and revise it as needed. Evidenced that the performed mock emergency drills were duly evaluated and they were not revised due to the results of the evaluations performed.



SUMMARY AUDIT REPORT