



**REPORT**

# ICMC TRANSPORTATION RECERTIFICATION AUDIT - SUMMARY AUDIT REPORT

*CyPlus Idesa Mexico Supply Chain*

Submitted to:

**International Cyanide Management Institute (ICMI)**

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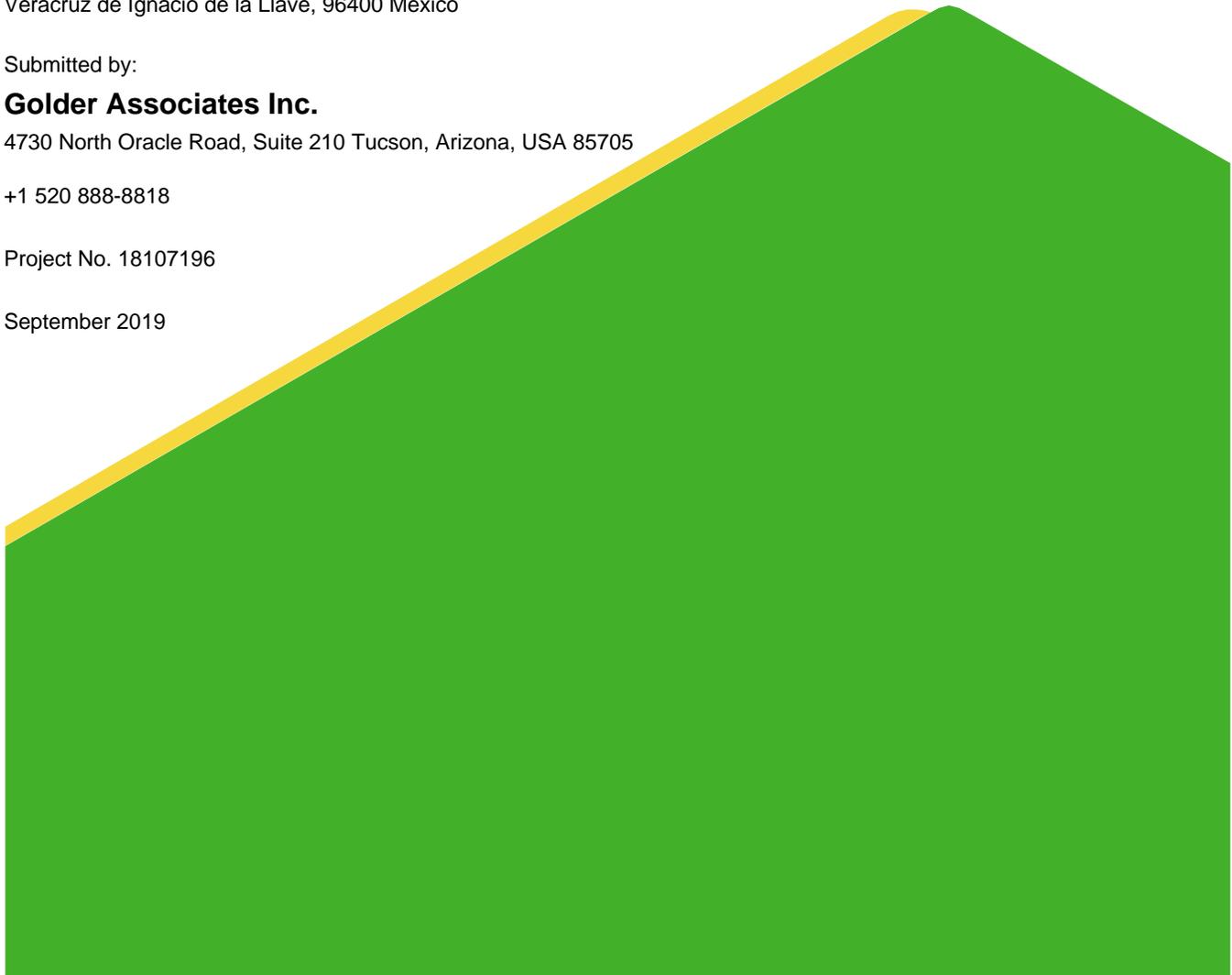
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## 1.0 SUMMARY AUDIT REPORT FOR CYANIDE TRANSPORTATION OPERATIONS

<b>Name of Cyanide Transportation Facility:</b>	Mexico Supply Chain
<b>Name of Facility Owner:</b>	CyPlus Idesa S.A.P.I. de C.V.
<b>Name of Facility Operator:</b>	CyPlus Idesa S.A.P.I. de C.V.
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## 2.0 MEXICO SUPPLY CHAIN OVERVIEW

CyPlus Idesa S.A.P.I. de C.V. (CyPlus or CyPlus Idesa) is a joint venture company formed by Evonik Industries (Germany) and Grupo Idesa S.A. de C.V. In light of the transfer of the distribution of cyanides from CyPlus to CyPlus Idesa on August 1, 2019, the supply chain was also transferred. The supply chain is designated as the Mexico Supply Chain (Figure 1) and consists of:

- The primary supply chain is:
  - Production of solid cyanide as briquettes at the production plant in Coatzacoalcos, Mexico
  - Shipping solid cyanide by land transport from the production plant in Mexico either directly to mines or to the Port of Salina Cruz on the west coast of Mexico
  - Shipping solid cyanide by sea transport from the Port of Salina Cruz to the Port of Mazatlán (with a backup option to the Port of Guaymas)
  - Shipping solid cyanide from the Port of Mazatlán (and/or Port of Guaymas) by land transport directly to the mines or to the Transloading Terminal and Warehouse in Ciudad Obregon
  - Shipping solid cyanide from the Transloading Terminal and Warehouse in Ciudad Obregon to the mines
- An alternative backup supply chain is:
  - Production of solid cyanide as briquettes at the production plant in Wesseling, Germany
  - Shipping solid cyanide by sea transport from the plant in Germany to the Port of Veracruz
- Shipping from the Port of Veracruz to tie into the above described transportation supply chain within Mexico

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CyPlus itself plays a role in the Mexico Supply Chain apart from its primary role as consignor. CyPlus has emergency response brigades that would assist in transportation emergencies stationed at the warehouse in Ciudad Obregon, at the corporate office in Mexico City, and at another non-cyanide warehouse in Queretaro. CyPlus also has conducted due diligence evaluations of the ports and maritime shipper (Appendices A through E). In addition to the elements described in the bullets above, the individual subcontractors are:

- Trucking companies:
  - Transportes Degam S.A. de C.V. (Degam) – added to supply chain in 2016.
  - Transportes de Trailers Toluca S.A. de C.V. (Trattosa) – added to supply chain in 2017.
  - Autotransportes Nieto S.A. de C.V. (Nieto) – part of supply chain in previous audit cycle.
  - Excellence Freights de Mexico, S.A. de C.V. (Excellence) – independently certified on November 27, 2017 and pre-operationally certified on January 5, 2017.
  - Transportes Suri, S.A. de C.V. (Suri) – independently certified continuously since September 29, 2014 but dropped from the Mexico Supply Chain in early 2017.
  - Autotransportes Ahan, S.A. de C.V. (Ahan) – dropped from the Mexico Supply Chain in early 2017. No maintenance, operations, or other records were available for review; however, this trucking company was subject to oversight by CyPlus in accordance with corporate procedures until cyanide transport ceased.
- Ports:
  - Salina Cruz, Oaxaca
  - Veracruz, Veracruz
  - Mazatlán, Sinaloa
  - Guaymas, Sonora
- Shipping company: Grupo Navemar S.A. de C.V. (Navemar) and its subcontracted ocean carrier Baltnautic Shipping Ltd. (Baltnautic)

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Figure 1: Schematic of Mexico Supply Chain

### 3.0 SUMMARY AUDIT REPORT

#### Auditor Findings

Mexico Supply Chain is:  in full compliance with **The International Cyanide Management Code**

in substantial compliance with

not in compliance with

The operation has not experienced compliance problems during the previous three-year audit cycle.

**Audit Company:** Golder Associates Inc.

**Audit Team Leader:** Kent R. Johnejack

**Email:** [kjohnejack@golder.com](mailto:kjohnejack@golder.com)

#### Names of Other Auditors

The audit was undertaken solely by Kent R. Johnejack of Golder Associates Inc. (Golder). Mr. Johnejack is pre-certified as a Lead Auditor and Transport Technical Specialist and he acted in these capacities during the audit.

#### Dates of Audit

The Recertification Audit was undertaken over 3.5 days between February 12 and 15, 2019.

#### Attestation

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 (ICMI) and that all members of the audit team meet the applicable criteria established by the ICMI 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 (Code or ICMC) Verification Protocol for Cyanide Transportation Operations and using standard and accepted practices for health, safety and environmental audits.

Mexico Supply Chain  
Name of Operation

  
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Signature of Lead Auditor

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## PRINCIPLE 1 – TRANSPORT

### Transport Cyanide in a Manner that Minimizes the Potential for Accidents and Releases

**Transport Practice 1.1:** Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.1? Explain the basis for the finding.

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:

The operation is in FULL COMPLIANCE with Transport Practice 1.1; select cyanide transport routes to minimize the potential for accidents and releases.

CyPlus has implemented a procedure for the overall selection of routes within Mexico and Degam, Trattosa, and Nieto have implemented similar procedures for their specific land routes. CyPlus has implemented a procedure for route selection CyPlus has approved the truck routes.

Degam, Trattosa, and Nieto have formally reviewed their routes periodically. They also maintain various mechanisms for rapid, informal feedback on route conditions. The formal assessments involve managers driving the routes to document any changed conditions. The informal feedback is obtained via route alerts after trips are completed and via real-time communication. The auditor reviewed current risk assessments, road alerts, and real time alerts to verify compliance.

Degam, Trattosa, and Nieto have listed the control measures in their route risk assessments. These control measures have been assigned to specific stretches of road identified by kilometer markings. These controls include speed reduction, co-drivers, daylight driving restrictions, experienced drivers only, escorts, load weight reduction, specialized training, and others.

CyPlus has consulted with communities, stakeholders, and agencies on behalf of the subcontracted trucking companies. CyPlus considers consultation on route details a sensitive issue because of the possibility of increasing the risk of robbery or vandalism. In many cases, there is only a single route to remote mines, making input less important. Nonetheless, CyPlus has made opportunities for input available via a program of trainings on safe cyanide management and antidotes. Firefighters, police, red cross, hospitals, doctors, unions, customs agents, port management, shipping staff, emergency response brigades, security staff, mine staff, civil protection, and others have participated in these trainings throughout the recertification period. By means of these trainings, CyPlus has also advised external responders, medical facilities, and communities of their roles in emergency response.

Convoys of trucks carrying hazardous materials on public roads are prohibited by law in Mexico. However, the Degam, Trattosa, and Nieto do implement administrative controls for special concerns, such as no driving at night.

CyPlus as the consignor, exercises control over its subcontractors with four umbrella procedures and a program of questionnaires and due diligence site visits. The four overarching procedures cover: (1) subcontractor

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selection and evaluation; (2) route selection; (3) safety norms; and (4) emergency/contingency planning. CyPlus has provided these procedures to the trucking companies and the trucking companies have incorporated the requirements into their own procedures. As part of the route selection procedure, CyPlus has approved the routes used by Degam, Trattosa, and Nieto. CyPlus sends the trucking companies a questionnaire on Code-compliance and visits the ports and maritime shippers to conduct due diligence audits. The auditor has evaluated these due diligence audits for the Ports, as well as the maritime shipper, and did not find significant issues of concern. Degam, Trattosa, and Nieto do not subcontract any cyanide handling or transport.

**Transport Practice 1.2: Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.2? Explain the basis for the finding.**

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:**

The operation is in FULL COMPLIANCE with 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.

CyPlus, as consignor, does not hire drivers or transport cyanide. It does subcontract to companies that ensure personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

Degam, Trattosa, and Nieto have implemented written procedures to select and train qualified operators. In accordance with Mexican laws, truck drivers for large loads and/or hazardous materials must obtain a Type E license from the Secretary of Communications and Transports (Secretaria de Comunicaciones y Transportes [SCT]), an agency of the Mexico government. This license must be renewed every two years. To verify compliance, the auditor reviewed drivers' licenses to confirm the drivers had the required Type E license and that these licenses were current.

Personnel at Degam, Trattosa, and Nieto that operate cyanide handling and transport equipment have been trained to perform their jobs in a manner that minimizes the potential for cyanide releases and exposures. CyPlus has provided training on safe cyanide management and antidote use to Degam, Trattosa, and Nieto. The three transporters have also provided training to their operators on topics such as communication methods, security, satellite tracking, defensive driving, inspections, and others. The auditors reviewed training programs/matrices, attendance lists, and certificates to verify compliance.

CyPlus as the consignor, exercises control over its subcontractors with four umbrella procedures and a program of questionnaires and due diligence site visits. The four overarching procedures cover: (1) subcontractor selection and evaluation; (2) route selection; (3) safety norms; and (4) emergency/contingency planning. CyPlus has provided these procedures to the trucking companies and the trucking companies have incorporated the requirements into their own procedures. The procedure on safety norms covers driver qualifications and requirements.

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**Transport Practice 1.3: Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.3? Explain the basis for the finding.**

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:**

The operation is in FULL COMPLIANCE with Transport Practice 1.3; ensure that transport equipment is suitable for the cyanide shipment.

CyPlus does not operate transport equipment within this supply chain. It does subcontract transport companies that only use equipment designed and maintained to operate within the loads it will be handling.

Degam, Trattosa, and Nieto use equipment designed and maintained for the loads it will be handling when transporting cyanide. For all three transporters, the tractors and trailers have circulation permits (tarjeta de circulación) issued by the SCT. These permits, in conjunction with the SCT Table of Weights and Dimensions under the regulation NOM-012-SCT2, ensure that the equipment is designed for the appropriate loads. The auditor reviewed examples of these circulation permits at each transporter to verify compliance.

All three transporters have written maintenance programs. Degam has implemented a written system of work orders, whereas Trattosa and Nieto have used software programs. Maintenance is scheduled based on time or distance driven. The auditor reviewed maintenance histories on screen for randomly selected units for Trattosa and Nieto, as well as closed work orders for Degam, to verify compliance.

Degam, Trattosa, and Nieto have implemented daily visual inspections to verify the adequacy of the equipment for the loads it will bear. These inspections, as well as their content, are required by the SCT. The inspection forms specifically mention conditions related to load-bearing performance, such as fissures and cracks in the various components. The auditor reviewed examples of the daily inspection forms from each transporter to verify compliance.

Degam, Trattosa, and Nieto have implemented the SCT-required measures, as specified in the Table of Weights and Dimensions, to prevent overloading of the tractors and trailers used in cyanide transport. Departure documents list the weights of product being transported to verify the load complies with the SCT Table of Weights and Dimensions. The auditor reviewed examples of the departure documents from each transporter to verify compliance.

CyPlus as the consignor, exercises control over its subcontractors with four umbrella procedures and a program of questionnaires and due diligence site visits. The four overarching procedures cover: (1) subcontractor selection and evaluation; (2) route selection; (3) safety norms; and (4) emergency/contingency planning. CyPlus has provided these procedures to the trucking companies and the trucking companies have incorporated the requirements into their own procedures. The procedure on safety norms covers equipment and vehicle requirements.

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**Transport Practice 1.4: Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.4? Explain the basis for the finding.**

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:**

The operation is in FULL COMPLIANCE with Transport Practice 1.4; develop and implement a safety program for transport of cyanide.

CyPlus does not transport cyanide within this supply chain. It does subcontract transport companies that develop and implement safety programs for transport of cyanide. CyPlus has provided procedures to the trucking companies and the trucking companies have incorporated the requirements into their own procedures. The procedure on safety norms covers equipment and vehicle requirements, as well as the required safety program for subcontractors. The three transport companies do complete daily inspections of the exteriors of the truck trailers, sea-land containers, and isotankers while in transit to ensure the integrity of these items. The auditor reviewed examples of inspections forms to verify compliance.

Placards or other signage are used to identify the shipment as cyanide, as required by local regulations and international standards. The plant and warehouse have written procedures that address attaching or checking the placards. Truck trailer placarding consists of the United Nations (UN) 1689 diamond placard, whereas sea-land containers and isotankers are also placarded the Class 6 dangerous goods label and the marine toxin label.

Degam, Trattosa, and Nieto have implemented safety programs for cyanide transport. All three transporters have implemented daily visual inspections that also serve as pre-departure inspections. All three transporters have written maintenance programs. Degam has implemented a written system of work orders, whereas Trattosa and Nieto have used software programs. Maintenance is scheduled based on time or distance driven. CyPlus also maintains valid third-party inspection certificates for the isotankers that they own, thus supporting that they are properly maintained. The SCT has established limits on drivers' hours in the Mexican Regulation NOM-087\_SCT. Degam, Trattosa, and Nieto provided examples of the SCT-required forms for hours driven to verify compliance. The production plant and warehouse are responsible for loading in such a way as to prevent loads from shifting. Degam, Trattosa, and Nieto have developed procedures by which transportation can be modified or suspended for adverse conditions. CyPlus has developed a written procedure that requires subcontracted transporters conduct drug and alcohol testing at a minimum every six months. The CyPlus procedure for safety norms requires the transporters to retain records for at least 3.5 years, which the three companies have done.

CyPlus as the consignor, exercises control over its subcontractors with four umbrella procedures and a program of questionnaires and due diligence site visits. The four overarching procedures cover: (1) subcontractor selection and evaluation; (2) route selection; (3) safety norms; and (4) emergency/contingency planning. CyPlus has provided these procedures to the trucking companies and the trucking companies have incorporated the requirements into their own procedures. The procedure on safety norms the required safety program for subcontractors.

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**Transport Practice 1.5: Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.5? Explain the basis for the finding.**

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:**

The operation is in FULL COMPLIANCE with Transport Practice 1.5; follow international standards for transportation of cyanide by sea.

CyPlus does not ship cyanide by sea. It does subcontract to companies that follow international standards for transportation of cyanide by sea.

Shipments of cyanide transported by sea are transported in compliance with the International Maritime Organization (IMO) Dangerous Goods (DG) Code.

IMO DG Declarations have been prepared with consignor information, marine pollutant identification, shipping information, lists of containers and weights, and the required certification under Chapter 5.4 of the IMO DG Code. These declarations have also been prepared with the required packing information and a statement that packing of the container/vehicle has been carried out in accordance with the General Introduction, IMO DG Code Paragraph 5.4.2.

Cyanide is not transported by air within the scope of Mexico Supply Chain.

**Transport Practice 1.6: Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.6? Explain the basis for the finding.**

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:**

The operation is in FULL COMPLIANCE with Transport Practice 1.6; track cyanide shipments to prevent losses during transport.

CyPlus does not operate transport equipment within this supply chain. It does subcontract transport companies that track cyanide shipments to prevent losses during transport.

Degam, Trattosa, and Nieto have multiple means of communication during transport. Methods vary slightly by transporter, but in general include some combination of cell phone, short-wave radio, satellite phone, or satellite-based panic button. The three transport companies use checklists to verify the communication equipment is functioning properly. Drivers for the three transport companies have pre-determined contact information. The auditor reviewed checklists, inspection forms, and contact information to verify compliance.

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Degam, Trattosa, and Nieto have implemented procedures for blackout areas along the transport routes. All three transporters have identified cell phone blackout zones in their route risk assessments. Special procedures in these zones vary slightly by transporter, but in general include some combination of satellite phone, satellite-based panic button, Global Positioning Satellite (GPS) tracking system, or a check in before and after the zone.

Degam, Trattosa, and Nieto have implemented satellite-based GPS systems to track trucks during transport. All three transporters use CoPiloto, a GPS and software system that visually tracks truck locations on computers and cell phones. The auditor observed the tracking maps on supervisor cell phones during the site visit to each transporter to verify compliance.

Degam, Trattosa, and Nieto have implemented inventory controls to prevent cyanide losses during shipment and have retained shipping records indicating the amount of cyanide in transit. All three transporters provided paperwork for review that documented the date/time/location of departure and the date/time/location of delivery, as well as acceptance of delivery by the mine. The number of containers and weights were listed on the paperwork. Truck operators carry the Safety Data Sheets (SDS) in Spanish in the cab.

CyPlus as the consignor, exercises control over its subcontractors with four umbrella procedures and a program of questionnaires and due diligence site visits. The four overarching procedures cover: (1) subcontractor selection and evaluation; (2) route selection; (3) safety norms; and (4) emergency/contingency planning. CyPlus has provided these procedures to the trucking companies and the trucking companies have incorporated the requirements into their own procedures. The procedures on route selection and safety norms include the requirements for communication, tracking, and documentation.

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## PRINCIPLE 2 – INTERIM STORAGE

### Design, Construct and Operate Cyanide Trans-Shipping Depots and Interim Storage Sites to Prevent Releases and Exposures

**Transport Practice 2.1:** Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 2.1? Explain the basis for the finding.

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:**

Within the scope of this supply chain audit, there are no trans-shipping depots or interim storage sites, as defined in the audit protocol. However, CyPlus does provide interim storage at their warehouse in Ciudad Obregon, Sonora. This warehouse is separately certified under the Code Production Protocol.

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## PRINCIPLE 3 – EMERGENCY RESPONSE

### Protect Communities and the Environment Through the Development of Emergency Response Strategies and Capabilities

**Transport Practice 3.1:** Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 3.1? Explain the basis for the finding.

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:

The operation is in FULL COMPLIANCE with Transport Practice 3.1; prepare detailed emergency response plans for potential cyanide releases.

CyPlus has prepared a Highway Contingency Plan (i.e., an Emergency Response Plan [ERP]) for its part in responding to cyanide emergencies during truck transport. This plan also serves as an umbrella plan for the plans of the individual trucking companies. Degam, Trattosa, and Nieto have their own ERPs. These ERPs are specific to cyanide and address scenarios reasonable for land transport, such as fires, releases (wet and dry), roll-overs, theft, and others. These ERPs, when combined with the route risk assessments, provide route-specific information for response actions. The physical and chemical form of the cyanide (solid briquettes of sodium cyanide) being transported are described in each ERP using text and/or pictures. The ERPs address truck transport of solid sodium cyanide in isotankers and 1-ton wooden boxes inside truck trailers or dry vans. The design of the transport vehicle is not considered a significant additional factor in emergency planning.

The ERPs for CyPlus, Degam, Trattosa, and Nieto describe response actions for scenarios applicable to land transport, such as mechanical failure, fire, roll-overs, releases (dry or wet, over asphalt/concrete or soil), roadblocks, protests, and theft. Truck operators are to call the appropriate authorities, isolate the area, keep people away, don personal protective equipment (PPE), and if possible, to do so safely, cover spilled cyanide with a tarp. The appropriate authority for initial notification is the Mexican agency in charge of the Emergency Transportation System for the Chemical Industry (Sistema de Emergencia para la Transportación de la Industrial Química [SETIQ]), who then is responsible for directing which other entities should be involved, including police, military, firefighters, red cross, and hospitals. These entities are noted in the ERPs as playing roles in emergencies as per their standard duties. For chemical response actions with specialized equipment, the CyPlus brigades would have a significant role depending on whether other entities near the incident have similar specialized capabilities.

**Transport Practice 3.2:** Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 3.2? Explain the basis for the finding.

in full compliance with

**The operation is**

in substantial compliance with

**Transport Practice 3.2**

not in compliance with

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**Summarize the basis for this Finding:**

The operation is in FULL COMPLIANCE with Transport Practice 3.2; designate appropriate response personnel and commit necessary resources for emergency response.

Appropriate personnel at CyPlus, Degam, Trattosa, and Nieto have received emergency response training. CyPlus as the consignor has provided training on safe cyanide management and antidote use the transporters. CyPlus brigade members have taken specialized two-day courses in cyanide first aid, management, and emergency response from the National Association of the Chemical Industry (ANIQ). The three transporters have also provided other emergency response training to their own staff. The auditors reviewed training programs/matrices, attendance lists, and certificates from the recertification period to verify compliance. Initial and refresher training have been provided, as confirmed with records and interviews.

The ERPs for CyPlus, Degam, Trattosa, and Nieto describe the responsibilities for emergency response. The responsibilities for CyPlus are broader than the three trucking companies in that CyPlus would provide emergency response brigades with the typical structure for incident commanders, brigade members, coordinators, etc. For the three trucking companies, the duties and responsibilities for cyanide emergency response are limited to notification, isolation of the area, keeping people away, and covering spilled materials with a tarp.

Degam, Trattosa, and Nieto have the necessary emergency response equipment and PPE available during transport.

The CyPlus brigades have prepared equipment lists of their emergency response equipment to ensure it is available when required. Degam, Trattosa, and Nieto have also prepared equipment lists for safety and emergency response equipment carried in their trucks during cyanide transport. CyPlus, Degam, Trattosa, and Nieto have implemented inspections of their emergency response equipment using these lists to ensure it is available when required. The auditor reviewed examples of inspections from the recertification period to verify compliance.

CyPlus as the consignor, exercises control over its subcontractors with four umbrella procedures and a program of questionnaires and due diligence site visits. The four overarching procedures cover: (1) subcontractor selection and evaluation; (2) route selection; (3) safety norms; and (4) emergency/contingency planning. CyPlus has provided these procedures to the trucking companies and the trucking companies have incorporated the requirements into their own procedures. The procedure on emergency/contingency planning covers the roles, responsibilities, and requirements for subcontractors during emergency response.

**Transport Practice 3.3: Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 3.3? Explain the basis for the finding.**

in full compliance with

**The operation is**

in substantial compliance with

**Transport Practice 3.3**

not in compliance with

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**Summarize the basis for this Finding:**

The operation is in FULL COMPLIANCE with Transport Practice 3.3; develop procedures for internal and external emergency notification and reporting.

The ERPs for CyPlus, Degam, Trattosa, and Nieto contain notification procedures and contact lists. The auditor reviewed previous versions of each company's ERP or change histories to verify notification procedures and contact lists have been kept current during the recertification period.

**Transport Practice 3.4: Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 3.4? Explain the basis for the finding.**

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:**

The operation is in FULL COMPLIANCE with Transport Practice 3.4; develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

The ERP for CyPlus includes procedures for the brigades to remediate spilled cyanide. Remediation consists only of recovery of product and removal of impacted soils; no chemicals would be mixed or used. Recovered product and/or removed soils are to be placed in proper labelled containers and then disposed at a mine or in accordance with environmental regulations.

The ERPs for Degam, Trattosa, and Nieto limit the operator's role to notification, isolation of the area, keeping people away, and if safe to do so, covering spilled materials with a tarp. SETIQ would oversee overall response coordination, and once the CyPlus brigade arrives, that brigade would be responsible for remediation.

The ERPs for CyPlus, Degam, Trattosa, and Nieto prohibit the use of chemicals such as sodium hypochlorite, ferrous sulphate and hydrogen peroxide to treat cyanide that has been released into surface water.

**Transport Practice 3.5: Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 3.5? Explain the basis for the finding.**

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:**

The operation is in FULL COMPLIANCE with Transport Practice 3.5; periodically evaluate response procedures and capabilities and revise them as needed.

The ERPs for CyPlus, Degam, and Nieto include provisions for periodically reviewing and evaluating the adequacy of the plans. The Trattosa ERP does not include a provision for review and update; however, Trattosa

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has in fact reviewed and updated their ERP. The auditor reviewed previous versions of each company's ERP or change histories to verify the documents have been reviewed and updated during the recertification period.

The ERPs for CyPlus, Degam, Trattosa, and Nieto include provisions for periodically conducting mock drills. The CyPlus ERP does not include a provision for periodically conducting mock drills; however, CyPlus has in fact held mock drills. Each entity has held at least two mock drills during the recertification period.

The ERPs for CyPlus, Degam, Trattosa, and Nieto include provisions for review after implementation during an incident.

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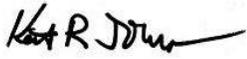
September 10, 2019  
Date

  
\_\_\_\_\_  
Signature of Lead Auditor

CyPlus Idesa Mexico Supply Chain  
\_\_\_\_\_  
Name of Facility

## Signature Page

**Golder Associates Inc.**



Kent Johnejack

*Lead Auditor and Transportation Technical Specialist*

KJ/rt

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