

*CYPLUS SUPPLY CHAIN IN MEXICO*

*Cyanide Code Principle 2  
Transportation Audit  
Addendum to the Summary Audit  
Report*

*PROJECT NO. 0206581*

*DECEMBER 2013*

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# SUMMARY AUDIT REPORT

## 1 GENERAL SUMMARY

### 1.1 INFORMATION ON THE AUDITED OPERATION

Name of Cyanide Transportation Facility: CyPlus supply chain in Mexico  
Name of Facility Owner: CyPlus  
Name of Facility Operator: CyPlus GmbH  
Name of Responsible Manager: Antonio Dominguez Perez  
Address: Rodenbacher Chaussee 4  
State/Province: Hanau Country: Germany  
Telephone +49 618159 4234 E-Mail: antonio.dominguez-rez@cyplus.com

Location detail and description of operation:

CyPlus Mexico, subsidiary of Evonik, is a consigner for sodium cyanide in Mexico. Currently, CyPlus supplies several mines in Mexico. CyPlus operates under the commercial name of Evonik Degussa Mexico, S.A. de C.V.

Cyanide is transported to Mexico by ship and is delivered by the cargo company at the Mazatlan and Guaymas Ports. Ship unloading operations are performed by the respective Port Authority, which releases the container by placing it on a truck's platform. The cyanide is transported either to a distribution center located in Ciudad Obregon, Sonora, or directly to a mine.

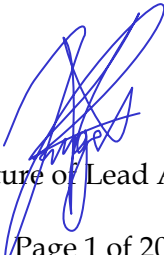
The main transportation routes are from Mazatlan and Guaymas Ports to the CyPlus distribution center with an approximate length of 640 km and 130 km, respectively.

**CyPlus' Supply Chain in Mexico obtained the Cyanide Code Certification in January 2013. This audit comprises two additional subcontractors, Transporte Suri S.A de C.V. and Autotanques Nieto S. A. de C. V. These subcontractors transport sodium cyanide from Guaymas, Sonora and Mazatlan Sinaloa, respectively. This is an addendum to the certification report.**

CyPlus started to use Suri in December 2012 and Autotanques Nieto in March 2013. Prior to the first operation with each contractor, CyPlus provided training and ensure that the contractors were compliant with the applicable Cyanide Code requirements and with CyPlus Cyanide Transport Safety Standards.

Prior to shipping, the manufacturer seals the container with a tag with serial number at the production facility to prevent material losses. These seals are only removed at the distribution center or the mine.

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## SUMMARY AUDIT REPORT

CyPlus subcontracts Transporte Suri S.A. de C.V. (Suri) to transport sodium cyanide from the Guaymas Port to the distribution center and to mines and Autotanques Nieto S.A. de C.V. (Autotanques Nieto) to transport sodium cyanide from Mazatlan to the distribution center and to mines.

Transport companies subcontracted rely on emergency response services and training provided by CyPlus to comply with the Code. They also follow the routes approved by CyPlus.

CyPlus has developed procedures to select the transport company. CyPlus has an internal audit program in place for third parties handling cyanides, according to CyPlus' "Supervision (internal audits)" procedure.

### 1.2 OVERALL 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.

Audit Company: ERM Mexico, S. A. de C. V.

Audit Team Leader: Juan Carlos Rangel Lopez E-mail: juancarlos.rangel@erm.com

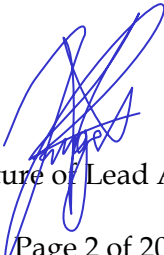
Names and Signatures of Other Auditors: \_\_\_\_\_

Date(s) of Audit: 18 and 21 January 2013

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management Institute for Code Verification Auditors.

I attest that this Summary Audit Report accurately describes the findings of the verification audit. I further attest that the verification audit was conducted in a professional manner in accordance with the International Cyanide Management Code Verification Protocol for Cyanide Transportation Operations and using standard and accepted practices for health, safety and environmental audits.

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## SUMMARY AUDIT REPORT

### 2 SURI REPORT

This operation is

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

with the International Cyanide Management Code.

#### **2.1 TRANSPORT:**        *TRANSPORT CYANIDE IN A MANNER THAT MINIMIZES THE POTENTIAL FOR ACCIDENTS AND RELEASES*

##### **2.1.1 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

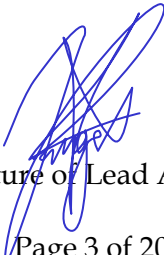
*Summarize the basis for this Finding/Deficiencies Identified:*

CyPlus has developed a "Selection of Routes" procedure which is compliance with this requirement. In addition CyPlus developed Cyanide Transport Safety Standards (hereinafter CyPlus Safety Standards).

Suri follows the route and the measures established by CyPlus in the Emergency Response Plan, and supports CyPlus in the assessment of the routes. Suri has implemented a route observations format where the drivers describe any conditions observed in the route (e.g. route section where road maintenance operations were noted and forest fires nearby the road). However, these assessments are ultimately validated by CyPlus.

Suri does not subcontract any of the cyanide handling or transport.

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**2.1.2 Transport Practice 1.2: Ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.**

The operation is

**THIS PRACTICE DOES NOT APPLY TO THE OPERATION**

- in full compliance with
- in substantial compliance with Transport Practice 1.2
- not in compliance with

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

Suri's has a hazardous materials and waste training procedures which includes the following topics:

- Defensive driving
- Cyanide management
- Hazardous materials and waste operators (includes a test requirement).
- First aid
- Firefighting

CyPlus provides the course called "Safety cyanide management" that includes the following procedures:

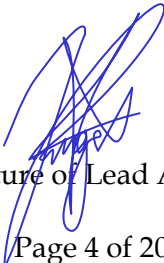
- a) Maximum load,
- b) Safety operations,
- c) Maximum driving journey,
- d) Blackout areas,
- e) Adverse weather conditions,
- f) Emergency communication,
- g) Use of personal protective equipment.

Suri drivers must attend the training program and hold the driver license granted by the Federal Transport Agency that authorized the drivers to transport hazardous materials, including cyanide.

To obtain the mentioned license, federal regulations require the drivers for hazardous materials transport fulfill the following requirements:

- Two years of experience transporting hazardous waste and hazardous materials;
- Training course provided by the Federal Transport Agency, regarding hazardous waste and hazardous materials transportation, and
- Physical and psychological surveys.

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Suri's training program is attended by all Suri's drivers and personnel related to the management of cyanide. Suri's drivers are retrained annually. According to the training program, the refresher training on hazardous materials and waste includes the following procedures: travel report, vehicle inspection, route assessment, emergency response, preventive maintenance, cyanide operations.

In addition Suri has implemented a medical prevention program for hazardous materials and waste operators that includes a semiannual medical examination.

Suri has designed drivers for cyanide operations; their files were reviewed and they included current copies of the documents showing the license, training provided by CyPlus and medical examinations.

According to the drivers and operations records, the drivers were trained and passed the medical examinations before participating in any cyanide operation.

With the support from CyPlus, Suri complies with the two applicable elements of the Transport Practice 1.2.

### **2.1.3 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:*

Suri transports only cyanide in ocean containers filled at the manufacturing site. Transport is from Guaymas Port to mines or the distribution center.

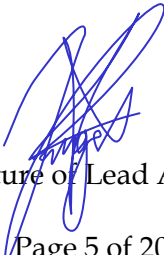
Suri's vehicles have received authorization by Mexican authorities to operate as hazardous materials transport vehicles. To obtain these authorizations, the vehicles have to be inspected, on an annual basis, by technician accredited by the Mexican Communications and Transport Ministry.

Suri has a preventive maintenance program that includes the trucks, dollies, and platforms. According to the platforms information, these have a loading capacity of 40 tons, which is greater than the gross weight of the filled container (less than 30 tons).

Suri has implemented an extensive checklist to conduct visual inspection on a daily basis. Among the verification points are:

- Oil pressure

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## SUMMARY AUDIT REPORT

- Lights
- Horn
- Safety belt
- Mirrors
- Lights
- Tires
- Tire nuts
- Kingpin
- Leaks
- Air lines
- Engine belts
- Personal protection equipment
- Trailer (break connection, tires, lights, among other aspects)
- Communication equipment
- Transport documents
- Among other aspects.

Suri complies with the three applicable elements of the Transport Practice 1.3.

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

The operation is

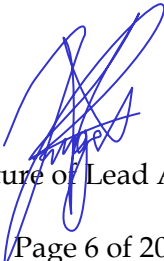
- in full compliance with
- in substantial compliance with Transport Practice 1.4
- not in compliance with

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

CyPlus' Transport Procedure establishes that the load cannot be altered during the transportation process. To ensure this, tags are placed in the ocean container's locks at the manufacturing facility. The lock and tag are removed at the distribution center or the mine. Suri's personnel are not authorized to open the container. Suri performs a visual inspection of the shipment. The visual inspection checklist requires verifying that the placards are posted on the container and that spare placards area available.

Suri's has the vehicle daily inspection procedure (TSOP-P00112) which includes the requirement to inspect the truck, trailers, and documents every day prior to start operations. Also, Suri has a maintenance policy and a preventive maintenance procedure (TSMT-P00112) which includes maintenance frequency and maintenance activities that must be performed. Preventive maintenance is classified in areas including engine, suspension (breaks and tires); traction system; electrical system, and body.

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Suri performs frequent preventive maintenance for the trailers and dollies. The preventive maintenance for these units consists in lubrication and visual inspection. Maintenance policy was developed based on the mileage recommended by the manufacturer.

Corrective and preventive maintenance is recorded in Suri's maintenance software. During the audit the files of units used by Suri were reviewed. No major issues were identified. The maintenance policy also requires verifying the tire tread depth as part of the vehicle daily inspection.

Suri has a hazardous materials and waste operations policy (TSOP-00212), which establishes a maximum 8 hrs. journey. Additionally, Suri follows CyPlus' Safety Standards on maximum driving hours, rest periods, and daylight only.

Prevention of loads shifting is responsibility of CyPlus. Suri's operator verifies that the container is attached to the trailer through the twist locks before leaving the port facility.

Suri follows CyPlus' Safety Standards which require them to stop at pre-selected stops or delay the operation if there is severe weather or civil unrest.

Suri has a procedure for Alcohol tests (TSOPP00712) which establishes the requirement of performing the alcohol test prior to the departure. Additionally, Suri follows CyPlus Safety Standards that require the drivers to be tested at least on a semiannual basis with a toxicological test to detect drugs and alcohol use and for alcohol prior to every transport operation. Alcohol test prior to cyanide transport were available for review, no issues were identified.

Suri keeps maintenance records, vehicle inspection checklists; alcohol and drugs tests records are kept for at least three year.

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

The operation is

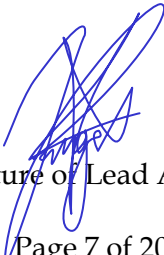
#### **THIS PRACTICE DOES NOT APPLY TO THE OPERATION**

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

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

Suri is a ground transport contractor; this element is not applicable to Suri.

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### 2.1.6 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:*

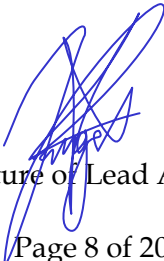
All Suri's trucks are equipped with radio communicators and mobile phones. In addition all the trucks are equipped with a GPS system and are monitored in real-time from the Suri's operation base.

According to the vehicle inspection checklist and the operations personnel, mobile phones are tested prior to the departure of the trucks. GPS operation is verified by the operations base on a daily basis.

Suri's drivers have been trained in the blackout areas procedure developed by CyPlus. All the trucks are equipped with a GPS system and are monitored in real-time from the Suri's operation base.

As previously noted, cyanide is received in containers locked and tagged at the production site. A transport document (document de embarque) is generated by Suri which includes the container number. The container is only open at the distribution center or the mine. The availability, at each truck, of the transport document, the emergency response, and the MSDS, among other documents, is verified using the vehicle daily inspection checklist.

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**2.2 INTERIM STORAGE:** *DESIGN, CONSTRUCT AND OPERATE CYANIDE TRANSSHIPPING DEPOTS AND INTERIM STORAGE SITES TO PREVENT RELEASES AND EXPOSURES.*

**2.2.1 Transport Practice 2.1:** **Store cyanide in a manner that minimizes the potential for accidental releases.**

The operation is:

**THIS PRACTICE DOES NOT APPLY TO THE OPERATION**

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

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

Suri does not operate interim storages. This practice does not apply.

**2.3 EMERGENCY RESPONSE: PROTECT COMMUNITIES AND THE ENVIRONMENT THROUGH THE DEVELOPMENT OF EMERGENCY RESPONSE STRATEGIES AND CAPABILITIES**

**2.3.1 Transport Practice 3.1:** **Prepare detailed emergency response plans for potential cyanide releases.**

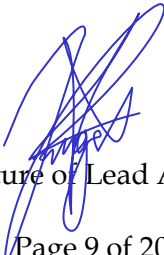
The operation is

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

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

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Suri follows CyPlus' Emergency Response Plan; therefore it is considered that Suri is in full compliance with this practice.

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

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

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

According to CyPlus emergency response procedure, the emergency response brigades of CyPlus would be in charge of attending the emergency, with support from Suri drivers who receive training from CyPlus specialized personnel in the emergency response procedures. Training records were reviewed, no issues were identified.

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with this requirement. The Plan describes the responsibilities of Suri's drivers. Suri's personnel were familiar with their roles and the communications chain.

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with this requirement. Suri follows CyPlus' Emergency Response Plan; therefore it is considered that Suri is in full compliance with this requirement.

All trucks owned by Suri are equipped, as minimum, with the following emergency response equipment:

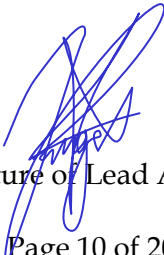
- Cyanide emergency response guide,
- First-aid kit,
- Personal protective equipment to attend cyanide emergencies,
- Firefighting extinguisher,
- Warning triangles,
- Plastic liners,
- Brake beams, and
- Cell phone.
- 

As previously noted, Suri drivers receive initial training; refresher training is provided at least annually. This training includes emergency response procedures.

The emergency response equipment is reviewed on a daily basis and recorded through the vehicle daily inspection checklist.

Suri does not subcontract any of the cyanide handling or transport.

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### **2.3.3 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:*

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Suri follows CyPlus' Emergency Response Plan. Interviewed Suri representatives were familiar with these procedures. Therefore it is considered that Suri is in full compliance with this practice.

### **2.3.4 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:*

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Suri follows CyPlus' Emergency Response Plan; therefore it is considered that Suri is in full compliance with this practice.

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

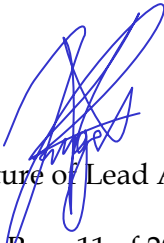
The operation is

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

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

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Suri follows CyPlus' Emergency Response Plan; therefore it is considered that Suri is in full compliance with this Practice.

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### 3 AUTOTANQUES NIETO REPORT

This operation is

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

with the International Cyanide Management Code.

#### **3.1 TRANSPORT:**        *TRANSPORT CYANIDE IN A MANNER THAT MINIMIZES THE POTENTIAL FOR ACCIDENTS AND RELEASES*

##### **3.1.1 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

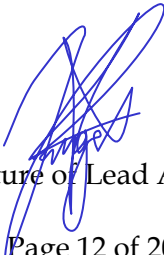
*Summarize the basis for this Finding/Deficiencies Identified:*

CyPlus has developed a "Selection of Routes" procedure which is compliance with this requirement. In addition CyPlus developed Cyanide Transport Safety Standards (hereinafter CyPlus Safety Standards).

Autotanques Nieto follows the route and the measures established by CyPlus in the Emergency Response Plan, and supports CyPlus in the assessment of the routes. Autotanques Nieto's drivers include in their driving hours report any conditions observed in the route (e.g. route section where road maintenance operations were noted). However, these assessments are ultimately validated by CyPlus.

Autotransportes Nieto does not subcontract any of the cyanide handling or transport.

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### 3.1.2 Transport Practice 1.2: Ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

The operation is

**THIS PRACTICE DOES NOT APPLY TO THE OPERATION**

- in full compliance with
- in substantial compliance with Transport Practice 1.2
- not in compliance with

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

Autotanques Nieto has a group of authorized drivers to handle cyanide. Authorized drivers have also been trained by qualified personnel of CyPlus.

The following courses are included in the Autotanques Nieto training program:

- Level I includes the minimum requirements established by Mexican authorities (legal framework, vehicle identification, documents and operation logs, hazardous materials and waste transport, emergency response, etc.),
- Level II includes training on Nieto policies and mechanical aspects, and firefighting equipment) and
- Level III is specific for cyanide and includes defensive driving.

Training course provided by CyPlus includes the following procedures:

- a) Maximum load,
- b) Safety operations,
- c) Maximum driving journey,
- d) Blackout areas,
- e) Adverse weather conditions,
- f) Emergency communication,
- g) Use of personal protective equipment.

Autotanques Nieto drivers must attend the training program and hold the driver license granted by the Federal Transport Agency that authorized the drivers to transport hazardous materials (Level I), including cyanide.

To obtain the mentioned license, federal regulations require the drivers for hazardous materials transport fulfill the following requirements:

- Two years of experience transporting hazardous waste and hazardous materials;
- Training course provided by the Federal Transport Agency, regarding hazardous waste and hazardous materials transportation, and

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- Physical and psychological surveys.

The files for the authorized drivers were reviewed and included current copies of the documents relating the mandatory training and license.

According to the drivers and operations records, the drivers were trained and passed the medical examinations before participating in any cyanide operation.

As mentioned before, Autotanques Nieto has implemented a training program. Training is provided to all Autotanques Nieto' drivers and personnel related to the management of cyanide. Autotanques Nieto' drivers are retrained annually. During this training, the toxicity of cyanide, the reaction with water as well as the emergency response procedures and the use of respiratory protection equipment are reviewed. Autotanques Nieto keeps copies of the attendance list for each training session. Training records are also included in the drivers' files.

With the support from CyPlus, Autotanques Nieto complies with the two applicable elements of the Transport Practice 1.2.

### **3.1.3 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:*

Autotanques Nieto transports only cyanide in ocean containers filled at the manufacturing site. Transport is from Mazatlan to the distribution center and to mines.

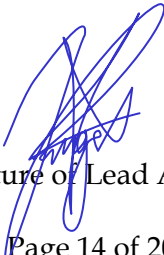
Autotanques Nieto has assigned vehicles to cyanide transport; these have received authorization by Mexican authorities to operate as hazardous materials transport vehicle. To obtain these authorizations, the vehicles have to be inspected, on an annual basis, by technician accredited by the Mexican Communications and Transport Ministry.

Nieto has a preventive maintenance program that includes the trucks, dollies, and platforms. Autotanques Nieto has implemented a comprehensive checklist to conduct daily inspection of the vehicles.

Among the verification points are:

- Oil pressure
- Lights
- Horn
- Safety belt

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- Mirrors
- Tires
- Kingpin
- Leaks
- Air lines
- Engine belts
- Emergency response equipment
- Trailer (break connection, tires, lights, among other aspects)
- Among other aspects.

The inspection checklist related to cyanide transport operations from March 2013 to June 2013 were reviewed; no issues were identified.

According to the data plates installed in the platforms, these have a load capacity of 40 tons (a fully loaded containers weights less than 30 tons).

Autotanques Nieto complies with the three applicable elements of the Transport Practice 1.3.

### **3.1.4 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

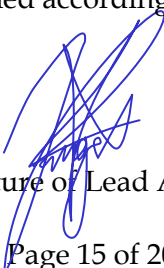
*Summarize the basis for this Finding/Deficiencies Identified:*

CyPlus' Transport Procedure establishes that the load cannot be altered during the transportation process. To ensure this, tags are placed in the ocean container's locks at the manufacturing facility. The lock and tag are removed at the distribution center or the mine. Autotransportes Nieto's personnel are not authorized to open the container. Autotransportes Nieto performs a visual inspection of the shipment. The visual inspection checklist requires verifying that the placards are posted on the container and that spare placards area available.

Prevention of loads shifting is responsibility of CyPlus. Autotanques Nieto's visual inspection checklist includes verifying twist locks to prevent the container to shift off the trailer platform. Autotanques Nieto follows CyPlus' Safety Standards which require them to stop at pre-selected stops or delay the operation if there is severe weather or civil unrest.

Autotanques Nieto has a maintenance procedure (GM-PSG-630-03); which establishes that preventive maintenance must be performed according to the manufacturer specifications.

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Maintenance routines have been uploaded in the preventive maintenance system and are based on the mileage and specific for the truck, the platform or the dolly.

Autotanques Nieto cyanide operations procedure follows CyPlus' Safety Standards on maximum driving hours, rest periods, and daylight only.

Autotanques Nieto cyanide operations procedure requires performing an alcohol test to the drivers prior to start driving. In addition, Autotanques Nieto has preventive medicine procedure that includes anti-drug and alcohol tests at hiring and then randomly on a semiannual basis. Additionally, Autotanques Nieto follows CyPlus Safety Standards that require the drivers to be tested at least on a semiannual basis with a toxicological test to detect drugs and alcohol use and for alcohol prior to every transport operation. Alcohol test prior to cyanide transport were available for review, no issues were identified.

Autotanques Nieto keeps maintenance records as long as the unit is owned, vehicle inspection checklists, alcohol and drugs tests records will be kept for at least ten year.

Autotanques Nieto does not subcontract any of the cyanide handling or transport.

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

The operation is

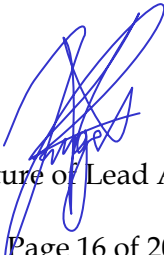
#### **THIS PRACTICE DOES NOT APPLY TO THE OPERATION**

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

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

Autotanques Nieto is a ground transport contractor; this element is not applicable to its operations.

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### 3.1.6 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:*

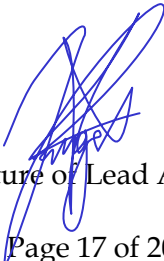
All Autotanques Nieto's drivers are provided with radio communicators and mobile phones. In addition all the trucks are equipped with a GPS system.

Autotanques Nieto has implemented a checklist for the safety equipment during cyanide operations that includes verifying mobile phones. GPS operation is verified by the operations base on a daily basis. Although there are not blackout areas in the routes currently operated by Autotanques Nieto, their drivers have been trained in the blackout areas procedure developed by CyPlus. All the trucks are equipped with a GPS system and are monitored in real-time from the Autotanques Nieto's operation base.

As previously noted, cyanide is received in containers locked and tagged at the production site. A transport document (document de embarque) is generated by Autotanques Nieto which includes the container numbers. The containers are only open at the distribution center or the mine.

The availability, at each truck, of the transport document, the emergency response, and the MSDS, among other documents, is verified using the vehicle daily inspection checklist. Autotanques Nieto complies with the six applicable elements of the Transport Practice 1.6.

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**3.2 INTERIM STORAGE:** *DESIGN, CONSTRUCT AND OPERATE CYANIDE TRANSSHIPPING DEPOTS AND INTERIM STORAGE SITES TO PREVENT RELEASES AND EXPOSURES.*

**3.2.1 Transport Practice 2.1:** **Store cyanide in a manner that minimizes the potential for accidental releases.**

The operation is:

**THIS PRACTICE DOES NOT APPLY TO THE OPERATION**

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

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

Autotanques Nieto does not operate interim storages. This practice does not apply.

**3.3 EMERGENCY RESPONSE: PROTECT COMMUNITIES AND THE ENVIRONMENT THROUGH THE DEVELOPMENT OF EMERGENCY RESPONSE STRATEGIES AND CAPABILITIES**

**3.3.1 Transport Practice 3.1:** **Prepare detailed emergency response plans for potential cyanide releases.**

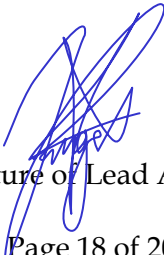
The operation is

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

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

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Autotanques Nieto follows CyPlus' Emergency Response Plan; therefore it is considered that Autotanques Nieto is in full compliance with this practice.

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

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

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

According to CyPlus emergency response procedure, the emergency respond brigades of CyPlus would be in charge of attending the emergency, with support from Autotanques Nieto drivers who receive training from CyPlus specialized personnel in the emergency response procedures. Training records were reviewed, no issues were identified.

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with this requirement. The Plan describes the responsibilities of Autotanques Nieto drivers.

Autotanques Nieto personnel were familiar with their roles and the communications chain.

All trucks owned by Autotanques Nieto are equipment, as minimum, with the following emergency respond equipment:

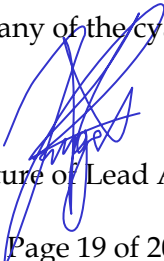
- Cyanide MSDS;
- Cyanide emergency response guide;
- First-aid kit;
- Personal protective equipment to attend cyanide emergencies;
- Firefighting extinguisher;
- Warning triangles;
- Brake beams;
- Barricade tape; and
- Mobile phone.

As previously noted, Autotanques Nieto drivers receive refreshment training at least annually. This training includes emergency response procedures. The driver verifies that the emergency response equipment of his truck is in operable conditions before every shipment. This is documented in a separated checklist.

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with this requirement. Autotanques Nieto follows CyPlus' Emergency Response Plan; therefore it is considered that Autotanques Nieto is in full compliance with this requirement.

Autotanques Nieto does not subcontract any of the cyanide handling or transport.

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### **3.3.3 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:*

CyPlus complies with the two elements of the Transport Practice 3.3. CyPlus has developed procedures for internal and external emergency notification and reporting. Autotanques Nieto follows CyPlus' Emergency Response Plan; therefore it is considered that Autotanques Nieto is in full compliance with this requirement.

### **3.3.4 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:*

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Autotanques Nieto follows CyPlus' Emergency Response Plan; therefore it is considered that Autotanques Nieto is in full compliance with this practice.

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

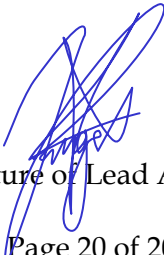
The operation is

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

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

CyPlus has prepared and implemented an Emergency Response Plan which is compliant with these requirements. Autotanques Nieto follows CyPlus' Emergency Response Plan; therefore it is considered that Autotanques Nieto is in full compliance with this Practice.

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