

SUMMARY AUDIT REPORT

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**ICMI Cyanide Code Principle 2
DCR Minería y Construcción, S.A.C.
Cyanide Transportation Recertification Audit
Arequipa - Perú**

**Submitted to:
International Cyanide Management Institute (ICMI)
1400 I Street, NW – Suite 550
Washington, DC 20005, USA**

2013 Three year Cycled Audit



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DCR Minería y Construcción, S.A.C
Name of Facility

Signature of Lead Auditor

May 2-3, 2013
Date

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

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3. EMERGENCY RESPONSE: Protect communities and the environmental through the development of emergency response strategies and capabilities.

Transport Practice 3.1: Prepared detailed emergency response plans for potential cyanide releases.

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

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

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

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A- GENERAL SUMMARY

A.1 Information of the Audited Operation

Name of Cyanide Transportation Facility: DCR Minería y Construcción, S.A.C.

Name of Facility Owner: DCR Minería y Construcción, S.A.C.

Name of Facility Operator: DCR Minería y Construcción, S.A.C.

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(RECERTIFICATION AUDIT)

Location detail and description of operation:

DCR Minería y Construcción, S.A.C. (DCR), provides transportation services of sodium cyanide to seven (7) different mining units of Perú, such as: ORCOMPAMPA, UCHUCCHACUA, BREAPAMPA, LA ARENA, COIMOLACHE, LA ZANJA and PUCAMARCA.

DCR has fiscal office at the City of Lima, main office located at City of Arequipa.

The cyanide is provided by Mercantil, S.A., and Quimtia, S.A. which are the local representatives of cyanide manufacturers.

DCR Minería y Construcción, S.A.C. (DCR), indicates on section 6.2 of procedure DCR-SMA-PRO-013, updated on November 29, 2012, Operational Safety for Transporting Cyanide (“Seguridad Operacional en el Transporte de Cianuro”), in which transportation units are adequate and prepared to transport sodium cyanide.

Trailers are classified under vehicular configuration T3S3 and T3Se2 and comply with Supreme Order 058-2003 of “Ministerio de Transportes y Comunicaciones del Perú” (MTC).

This recertification audit considered operating transportation from supplier’s facilities to clients.

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Cyanide is received from the manufacturer or consigner in either of the following packaging presentation:

- Interior Poly-propylene super-sack filled up to 1 ton and placed inside a Polyethylene bag and wooden box
- Tuff-pack of 48 Kg, 20 of these packs are placed inside a wooden box

No less than 20 boxes are placed in standard 40-foot shipping containers; boxes and drums are placed way to prevent lateral movement within the container, using belt or chain. DCR consider and registers the three-dimensional configuration of the boxes within the container.

The containers with cyanide are received closed and sealed by the suppliers, the removal of the containers' seals ("precintos") and the process to open the door to begin the unloading of the product is allowed only by authorized personnel. They are in charge to break the seals at the mine.

Afterwards of the downloading, the driver operator returned to the weighing scales to leave the discharge area.

Since the first certification audit realized on February 17 - 20, 2010 all documents have been updated on 2013. Only two (2) of them ("SELECCIÓN DE RUTA" - May 12, 2012 and "SEGURIDAD OPERACIONAL EN EL TRANSPORTE DE CIANURO DE SODIO" November 29, 2012), aren't from 2013.

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A.2 Overall Auditor's Finding

This operation is

✓ In full compliance With the International Cyanide Management Code.

This operation has maintained full compliance with the International Cyanide Management Code throughout the previous three-year audit cycle. Between 2010 to 2013, there are no records of incidents since ICMI audit was done.

Audit Company: Geosoluciones Panamá, S.A.

Audit Team Leader: Jorge Efrén Chong Pérez Email: geosoluciones@cwpanama.net

Names and Signatures of Other Auditors: Carlo Brando Bolivar Vargas

Date(s) of Audit: May 2-3, 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 describe 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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B- DCR Minería y Construcción, S.A.C. ROLE AS CYANIDE TRANSPORTATION

1. *TRANSPORT: Transport cyanide in a manner that minimizes the potencial for accidents and releases.*

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

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.1
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

The procedure DCR-SMA-PRO-013, updated on November 29, 2012, section 6.3 “Operational Procedure in the Transportation of Cyanide”, established the obligation to have a procedure on Transportation Route Selection, that is considered to minimize accidents and releases possibilities.

DCR Minería y Construcción, S.A.C. updated the route evaluation procedure DCR-SMA-PRO-008 (on May 9, 2012). This procedure replaced revision No. 1, August 7, 2009.

Section 6 procedure DCR-SMA-PRO-008 updated on September 5, 2012, considered traffic density, bridges, waterways, road conditions, route design (curves, berms, number of lanes), altitude, intersections, detours, weather conditions and socio-political conditions, population crossroads, transit by environmental sensible areas, public control and other interest aspect that contribute with the safety of the trip.

Section b. to g., provides route plan details and criteria to follow, as the path is in an urban or rural area.

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Section h. set the parameters to be considered for the selection of a safe route: Dangerous curves, steep climbs, steep descents, population density, resting and safe sleeping places for overnight, main cities, significant bridges especially where have a water source, railroad crossings, frequent landslides zones, bad weather zones (snowfall, rain, landslides, etc.), mist areas, environmentally Peruvian protected Areas by Law and / or sensitive areas of high risk of theft.

DCR-SMA-PRO-008, Section i., states that for the route evaluation should be considered a physical assessment of the entire route plan, by a representative of safety and environmental department, operations and experienced driver.

The route risk evaluation procedure includes:

The procedure DCR-SGS-MATPEL-PRO-02, section 3.2 Procedure to select transportation route or “Procedimiento de Selección de Rutas de Transporte” and procedure DCR-SGS MATPEL-PRO-01 “Hazardous Identification and Risk Evaluation of the Stretch Route” or “Identificación de Peligros y Evaluación de Riesgos en Ruta por Tramos”.

The application of both previously mentioned procedures results on the route sheet “Hoja de Ruta” that is the operative document that set the transit of the transport unit.

Each driver has revised route sheet with their respective risk assessment, which has been incorporated into the Emergency Plan in section 3.2. See a sample of Lima-Uchucchacua Route, on the next page

Two drivers were interviewed and physically verified their trucks, checking that had the Emergency Plan, the route sheet with the risk assessment, MSDS, emergency equipment and product information.

Route evaluation is updated every time DCR find new danger, significative risk in the trip reported by operators that must be presented at the end of each customer services. Also after any significative incidents of lessons learned after drills. The latter requirement is also applied in the Emergency Plan DCR-SGS-MATPEL-002, section 6.3

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The transporter document the measures taken to address the risks periodically to identify a new danger or significant dangerous in the trip report. Drivers indicate by observations the status of the route. These findings that must be presented at the end for each customer services.

Each driver obeys the instructions given by the IPER ("Hazard Identification and Risk Assessment"), which is updated continuously.

DCR has provided information (MSDS, emergency and product information) to applicable governmental centers (health centers, police and fire companies), along the routes mentioned, and they have acknowledgment of letter receipt, to seek input from the authorities that representing communities and other stakeholders.

Section 6.5 of Emergency Plan DCR-SMA-PRO-013 (rev. Nov. 29, 2012) establishes sodium cyanide containers transportation is done under "convoy" way supervised and escorted to the mine by the convoy supervisor.

Convoy's conditions are continuously monitored along the route, by "telemetric system", radio and cellular. The photos show close follow-up to the vehicles

Stopping places are previously selected, guarantee no risk for someone else and concern for the load.

Trips will only be done during daytime (daylight) with exceptions of force majeure or in coordination with the clients. The maximum shift per day will be 12 hours; personnel will rest for eight (8) hours. Which is established in Section 6.4 of "Procedimiento de Seguridad Operacional en el Transporte de Cianuro" DCR-SMA-PRO-013. Employees interviewed indicated that they fulfilled this requirement.

The criteria to be used for the necessary convoy escorts are as follows:

It is recommend that beginning from six (6) units; it will depart in two (2) or more group's caravans according to the unit configuration or the unit type.

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Each trailer only can load one (1) container and only each vehicle can pull one chassis, it has to be secured with steel chain, the convoy supervisor should approved the fastening.

The convoy route will depend of the weather condition; convoy Supervisor will evaluate the route safety in each case and can stop the convoy if conditions do not permit a safety transit.

Escort vehicle has an emergency kit and the convoy Supervisor is the responsible person.

DCR provides information about risks associated with cyanide to advance medical centers, police and fire, so that they are prepared in the event of emergency of sodium cyanide. Were evidenced 53 letters delivered in the year 2012 and 41 letters in the 2011.

DCR Minería y Construcción, S.A.C., does not subcontract other companies to transport Sodium Cyanide.

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.

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.2
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

The training program for 2013 was reviewed and cover Emergency Plan, Using of the Emergency Chart, Hands Protection, Identification and Control of Hazardous, Procedure DCR-SGS-MATPEL-001, 002 and 003, Defensive Driving on Adverse Conditions, Fire Fighting, Handling of Hazardous Materials, Cyanide Hazardous, Wearing of Personal Protective Equipment, Incidents Reports, Incidents Investigations.

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Some training and valid driver licenses “Licencias de Conducir” records were reviewed; as new employee’s induction related with Hazardous Identification and Risk Evaluation, Handling of Condition, Emergency Plan, Hands Protection and Use of Emergency Chart.

Section 2.2 DCR-SGS-MATPEL-PC-002 of EMERGENCY PLAN FOR TRANSPORT SODIUM CYANIDE (“PLAN DE EMERGENCIA DE TRANSPORTE DE CIANURO DE SODIO”), updated responsibilities of DCR Minería y Construcción, S.A.C. concerning the training requirement.

Employees from maintenance and driver operators were interviewed and their supervisors confirming implementation of procedures and proper training in Cyanide transportation practices.

Training records were reviewed for: initial induction and related to emergency response.

DCR Minería y Construcción, S.A.C. does not subcontract other companies to transport Sodium Cyanide.

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

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.3
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

DCR have ten (10) units exclusively for the transportations of cyanide and fifty (50) driver operators with no less 10 years of experience. All units have less than five (5) years, as a company policy, with ABS break systems. Shop is led by a machinist of the SCANIA manufacturer company and regulated with the equipment specifications and in communication with the local dealer.

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The tract with the container is classified under vehicular configuration T3S3 and T3Se2 which comply with Supreme Act “Decreto Supremo” DS 058-2003 “Ministerio de Transportes y Comunicaciones” (MTC).

In order to fasten the load to the container, each container was fabricated of corrugated steel without refrigeration and hermetic closed of FEU containers (40 feet).

The last trailers for the transportation of cyanide were newly purchased on 2010.

Additionally DCR, show evidence that are requested purchase order to SCANIA in order to have ten (10) new trucks (2013) with improved specifications as regards torque control.

DCR Minería y Construcción, S.A. has permanently units suitable for transport of sodium cyanide. The tract with the container is classified under vehicular configuration T3S3 and T3Se2 which comply with Supreme Act “Decreto Supremo” DS 058-2003 “Ministerio de Transportes y Comunicaciones” (MTC).

The container is permanently hooked over the trailer and secured with a chain system and twislocks.


Maintenance program is requested on section 6.5 DCR-SMA-PRO-013 Operational Safety for Transporting Cyanide.

Every six (6) months the units including the escort vehicles are subject to a detailed technical inspection.

After transport operation is done, empty truck returned to Operations head office of DCR Minería y Construcción, S.A.C. for preventive maintenance program (section 7.6-c, of procedure DCR-SMA-PRO-13 previously noted). Supported by interviewed the mechanic of DCR, which has experience in the equipment dealer.

To verify the adequate equipment load that must carried, according to annex of procedure DCR-SMA-PRO-13, five (5) forms are used of the verification list in the units, escort vehicles, convoy configuration and trip report of the merchandise transported, including weights and quantities of cyanide.

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Before their departure, is given to the transporter a Referral Guide which records the quantity transported, the registry of Weights and Measures and Cyanide safety information.

The Nation Regulation "Supreme Order 058-2003" determines the configuration for the maximum load of each unit. This same order commit that each transporter company must provide weight and dimensions before the transport operation. There are many places for government control, such as: Ancon, Lima, Nazca and Pucusana.

DCR Minería y Construcción, S.A.C. does not subcontract other companies to transport Sodium Cyanide.

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

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.4
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

DCR Minería y Construcción, S.A.C., indicates on section 6.1, Operational Safety on the Cyanide Transport Procedure, DCR-SMA-PRO-013; transport cyanide on 40 feet containers secured with twislocks and chains.

Each container carried 20 boxes placed in one row, each one has a big bag of one (1) ton of solid sodium cyanide. The procedure indicates that each box should be reviewed when receiving and delivery.

Before initiate the operation, DCR driver operators must be attentive that each box is in good condition, if it does not the necessary requirements the procedure instruct them to reject the load of any cyanide box. See in the next page the Receipt and Delivery of Cyanide record.

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Then, the driver operators verify that the information includes in the Remission Guide “Guía de Remisión del Remitente” of the consignee and transport is correct. As samples of reference guide records from sender and the carrier, were revised.

Drivers must verify that gross weight in the Weight and Dimensions Record provided by the supplier. Only is permitted to load cyanide, according to the configuration safe load capacity and unit design.

According to section 6.2.3: Labeling Requirement “Requisitos de Rotulación”, of procedure previously mentioned, each box must be labeled and the containers may have safety seals.

Cyanide unit transportation must has the adequate signals and comply with Peruvian Technical Standard NTP399.015-2001 as the code UN-1689 ERG guide, NFPA and DOT.

The signals of units and containers must be placed in each side and each extreme of the unit. Were verified the existence of appropriate signage on DCR trucks.

The safety transport process provides:

- Pre-trip inspections and documentation of units, including convoy escort.
- Maintenance preventive procedure is indicated on document DCR-SGC-PRO-06. According to interview with David Carpio, Maintenance Department Supervisor, there are five (5) revision categories, depending of the millage record and maintaining a strict compliance with manufacturer’s indication, such as torque wrench calibration, records of trip inform. We reviewed electronic records from maintenance follow up.
- Review information from the unit to give approval for the trip.
- Drivers must rest at least 8 hours prior to a trip and do not drive more than 12 hours a day.
- The driving schedule is only in daytime.
- The cyanide load traveling within 40 feet containers, making arrangements to prevent movement.
- The trip will take place in convoy mode.
- The convoy leader is responsible for assessing the climatic conditions and is enabled for the suspension of the convoy of transport operation.

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- It prohibited the consumption of alcohol, drugs or any substance that may impair or diminish the operation of the driver or a member of the convoy. Some alcohol testing records samples were reviewed of 2012 and 2013.
- At the end of the trip the convoy supervisor and drivers must submit a report that details route incidents, sensitive areas found and relevant information to ensure safety and security on future trips. The convoy supervisor is responsible for taking action in case of emergency, incident including civil unrest “desorden social” section.

DCR Minería y Construcción, S.A.C., does not subcontract other companies to transport Sodium Cyanide.

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

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.5
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

DCR Minería y Construcción, S.A.C, does not transport by sea or, the scope of transport is from Callao or Lurín District, to the mines of Peru

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

This operation is

- In full compliance
- In substantial compliance Transport Practice 1.6
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

DCR Minería y Construcción, SAC have cellular service, radio and satellite phone, which ensures full coverage during movement.

The radios were functioning at the time when the audit. All units has a radios check list before the trip.

DCR has identified areas without cell and radio coverage, to those specified areas in where the convoy doesn't has coverage use the satellite equipment. Additionally, it is requested to perform a trip report to report the location during the transit operation.

DCR Minería y Construcción, S.A.C, uses *Telemetric System* to monitor the units. Additional have cellular service, radio and satellite phone to ensure full coverage during transport operation. Convoy leader along with DCR base control guarantee a continue knowledge of the unit position.

Telemetric system was tested by Mr. Andy Davalos that is the operator in charge. Trucks driver's vehicle numbers A2D-846 and YII-3565 were interviewed, they were located at Lurin (29.5 km from Lima), on April 30, 2013, the route tracking of the load was evidenced.

The bill of lading and reference guide is part of shipping records of amount transported; Material Safety Data Sheet (from Dupont and Quimtia), are revised before each trip and available during all transport.

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The tracking by the custody chain is realized according to the “Remission Guide of the Consignee and the Transporter “Guía de Remisión el Remitente y del Transportista”, which are included in the trip report and the quantity of the cyanide transported, as the MSDS sheets (Dupont and Quimtia) that is part of Annex 6 of the Emergency Plan.

DCR Minería y Construcción, S.A.C., does not subcontract other companies to transport Sodium Cyanide.

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.

This operation is: THIS PRACTICE DOES NOT APPLY TO THE DCR OPERATION.

- In full compliance
- In substantial compliance Transport Practice 2.1
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

DCR Minería y Construcción, S.A.C. operations do not involve the use of interim storage facilities. As the route driver time is from 6 a.m. to 6 p.m., when take two or more days, the route assessment identifies the specific places where vehicle can stay overnight and driver has facilities driver has facilities for sleeping.

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3. EMERGENCY RESPONSE: Protect communities and the environmental through the development of emergency response strategies and capabilities.

Transport Practice 3.1: Prepared detailed emergency response plans for potential cyanide releases.

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.1
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

DCR Minería y Construcción, S.A.C., operates in seven (7) active routes and covered by its *Emergency Plan* that has a risk assessment: ORCOMPAMPA, UCHUCCHACUA, BREAPAMPA, LA ARENA, COIMOLACHE, LA ZANJA AND PUCAMARCA, which are established on document DCR-SGS-MATPEL-PC-002, Emergency Plan for Transporting Sodium Cyanide, rev.1, February 15, 2013, which shows the steps to follow in case of an emergency, identify the risk, establish the organization and communication before, after and during the emergency.

The emergency plan is based on the contents of Law No. 28256 Regulation law on Ground Transportation of Material and Hazardous Waste and its Rules (“Ley que Regula el Transporte Terrestre de Materiales y Residuos Peligrosos”), submitted through the Supreme Order of Peru No. 021-2008-MTC and its modification and issued through D.S. No. 030-2008-MTC (“Ministerio de Transporte y Comunicaciones”).

DCR showed resolution which authorizes to carry hazardous materials

The requirements that must comply the interested persons when present the *Contingency Plan* are defined on the Article 22 of the regulations referred to the Contingency Plan, this present plan is based on the guidelines of R.D. No. 031.2009-MTC/16 Guidelines to prepare a Emergency Plan for Ground Transportation and Hazardous Waste in Sub-Sector

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Transporters (“Lineamientos para Elaborar un *Plan de Contingencia* para el Transporte Terrestre y/o Residuos Peligrosos en el Sub Sector Transportes”).

http://www.mtc.gob.pe/portal/transportes/asuntos/resoluciones/2009/RD_Nro_031-2009-MTC-16.pdf

Note: The government of Peru uses the term Contingency Plan rather than Emergency Plan.

The emergency plan adjusts to the selected routes that are indicated and evaluated in the procedure previously mentioned. It is established the criteria for the planning, activation, level of response according to the severity of the incident and handling of the information of the emergency plan; it includes forms, telephone numbers, MSDS safety sheet, physical-chemical product information (section 3.1)

A physical travel of the transportation route was analyzed according to the procedures: DCR-SGS-MATPEL-PRO-002 ROUTE SELECTION FOR HAZARDOUS MATERIAL TRANSPORTATION and DCR-SGS-MATPEL-PRO-001 HAZARDOUS IDENTIFICATION AND ROUTE RISK EVALUATION, considered the routes using the unit and trucks in convoy way.

Procedures previously indicated and conditions records that meet the routes, risk and hazardous were evaluated, by its means defining the routes sheet of the operative unit, these are described considering the road, the maximum and minimum unit speeds.

DCR Consider the physical and chemical form of the cyanide in Section 3.1 of the Emergency Plan.

The Safety Operational Procedure of the Cyanide Transportation DCR-SMA-PRO-013, section 6.2.1 and 6.2.2 indicates the units, trucks, trailers and containers specification. The cyanide is transporting in trailers type "T3S3 and T3Se2", loaded with standards 40 feet containers.

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DCR Emergency Plan, section 3.2, state that routes have been evaluated for hazards risks and takes preventative measures to consider. The route sheet, shows the description of the section, the minimum and maximum drive speeds, etc.

Section 6.2, DCR-SMA-PRO-13, Operating Procedure for the Transport of Sodium Cyanide, details specifications of the trailer and trailers.

Section 4.1.2. and 4.2 from page 52, Emergency Plan, identifies specific potential releases scenarios and describes procedures for responding through a comprehensive response plan, which includes the assessment of the scene, incident command creation, notification, isolation of the area, implementation of the plan and decontamination considering the worst case scenario.

For each scenario, have been developed contingency plan, to answer specific procedures for vehicle incident, environmental and product releases (water, road, and soil).

Section D of the Emergency Plan, the roles are established outside respond, medical facilities and the authorities, who represent the communities, such as the Institute of Civil Defense, firefighters, police. Is the Ministry of Health, responsible for declaring the emergency affected, contacting area communities, and released such a statement when it has already ceased (according with the national regulation of hazardous material transportation).

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

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.2
- Not in compliance

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Summarize the basis for this Finding/Deficiencies Identified:

Section 2.2 Responsibilities of DCR Minería and Construcción, S.A.C., of the Emergency Plan indicates the obligation to provide training.

It was evidenced during the audit, training records of themes related to emergency response such as: Dissemination of the Emergency Plan and Using of the Emergency Chart.

Section 2.4, 2.5 and 2.6, of the Emergency Plan, describes the functions of the personnel involved during the emergency: crisis committee, incident commander, driver operators, DCR administration and liaison, as much as the organization and communication after, before and during the emergency.

The transporter has the necessary emergency response and health and safety equipment: Spill response kit and poisoning (antidote kit), and personal protective equipment, which is checked before the trip; as well initial and periodic refresher training in emergency response training.

Two drivers were interviewed demonstrating knowledge about emergency response issues and use of antidotes.


Available equipment that has the transporter for emergency response has been distributed according to four (4) categories:

- A. Personal protective equipment, for daily work.
- B. Vehicular protective equipment, for minor accident and mechanic damages of the unit.
- C. Vehicular first response equipment, for emergency related to the product.
- D. Escort first response equipment: Equipment for emergency response.

Two (2) units were checked and driver operators interviewed and have the equipment, previously mentioned, and know the procedure and its use.

DCR provides initial instructions to the driver operator and a periodically training of the emergency response including the implementation plan.

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Signature of Lead Auditor

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The procedure DCR-SMA-PRO-013, Annexes Nos. 1 and 2 indicate the check list as part of the emergency response equipment inspection. It is included safety equipment of the proper equipment, such as tools, first response equipment, personal protective equipment, mandatory trip documents (emergency plan, MSDS copies, property documents and load certify).

DCR Minería y Construcción, S.A., does not subcontract other companies to transport Sodium Cyanide.

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

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.3
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:


On a recent revision of DCR Emergency Plan (February 15, 2013), Chapter 5, details aspect related with the Emergency Plan Activation. As soon as an emergency occurred, the plan present that the first step is to evaluate the emergency and immediate communicate it, using the indicated procedure according to the severity level indicated in the flow chart (section 2.6), that are considered in the evaluated scenarios through the Incident Commander designated in the area.

The Incident Commander (defined on section 2.4.5) is the responsible to coordinate the necessary communications (section 5.4) with the emergency services, DCR directives and other institutions including clients and suppliers.

During the emergency communities are notified through government public information officer.

On Annex 2, of the Emergency Plan, displays the emergency telephone number of the route considered by DCR.

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Section 6.3 “Actualization of Emergency Plan”, indicates that it will be actualized once a year or in case of new route, if an incident occurred and a drill feedback is obtained.

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

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.4
- Not in compliance

Summarize the basis for this Finding/Deficiencies Identified:

Section 4.2 of the Emergency Plan provides specific procedures for emergencies, which include remediation for equipment damages reasons, environment causes and the cyanide transported, by malfunction, fire or adverse environmental conditions.

Also established prohibited substances in bodies of water, including the use of sodium hypochlorite, hydrogen peroxide and iron sulfate. Sodium hypochlorite is indicated to neutralize sodium cyanide small spills with a 5% hypochlorite solution or hydrogen peroxide, to destroy residual cyanide and only if absolutely necessary.

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

This operation is

- In full compliance
- In substantial compliance Transport Practice 3.5
- Not in compliance

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Summarize the basis for this Finding/Deficiencies Identified:

The emergency plans are reviewed annually or every time you need a change. In the Section 6.3 of the “PLAN DE EMERGENCIA DE TRANSPORTE DE CIANURO DE SODIO” DCR-SGS-MATPEL-PC-002 indicates that it will be actualized once a year or in case of new route, if an incident occurred and a drill feedback is obtained. The latest reviewed Emergency Plan for all DCR route, were dated on February 15, 2013.

2.4.5 Section F, Emergency Plan indicates to perform drills, promote continuous improvement and training in the contingency plan.

Two drills were being recently performed:

1- July 26, 2012 Storage Facility - Arequipa (Buenaventura Mine)

July 26, 2012 drill was conducted in the chemical warehouse of Orcopampa Buena Ventura Mine, at 15:00. At the time the container riggers unloaded the last box pulling the sling that is attached to the forklift. Then the box fell from the top of the container to the ground and spill an amount of about 3 Kg exposed to the environment.

2- November 7, 2012. Arequipa DCR Facilities

Collision of a smaller vehicle with the trailer towing a container of sodium cyanide.

Section 6.3 “Update of Emergency Plan”, indicates that it will be actualized once a year or in case of new route, if an incident occurred and a drill feedback is obtained.

The revision of the emergency plan has been implemented. It can be verified that upon initial issuance on February 12, 2010, and has been revised on: September 9, 2011, November 15, 2011 and currently has version February 15, 2013.

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