



March 10-11th, 2020

Summary Audit Report



**ICMI Cyanide Code Transportation
D C R
MINERÍA Y CONSTRUCCIÓN SAC
Arequipa, PERÚ
Three year cycle recertification audit**

Jorge Efrén Chong Pérez, Prof. Lead Auditor
Geosoluciones Panamá, S.A.
Avenida Héctor Santacoloma-Verdún Santiago
Panamá +507.6737.8282

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

A handwritten signature in blue ink, appearing to read "Jorge Efrén Chong Pérez".



SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

TABLE OF CONTENTS

A- GENERAL SUMMARY2

 A.1 Information of the Audited Operation2

 A.2 Overall Auditor’s Finding.....3

B- ROLE AS CYANIDE TRANSPORTATION.....4

Transport Practice 1.1:4

Transport Practice 1.2:8

Transport Practice 1.3:9

Transport Practice 1.4:12

Transport Practice 1.5:16

Transport Practice 1.6:16

Transport Practice 2.1:19

Transport Practice 3.1:19

Transport Practice 3.2:25

Transport Practice 3.3:27

Transport Practice 3.4:28

Transport Practice 3.5:29

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

A- GENERAL SUMMARY

A.1 Information of the Audited Operation

Name of Cyanide Transportation Facility: DCR MINERIA Y CONSTRUCCION S.A.C. (DCR)
Name of Facility Owner: DCR MINERIA Y CONSTRUCCION S.A.C. (DCR)
Name of Facility Operator: DCR MINERIA Y CONSTRUCCION S.A.C. (DCR)
Name of Responsible Manager: Paul Rodriguez Address: Variante Uchumayo Km 2.5 Cerro Colorado, Arequipa State/Province/Country: Cerro Colorado/ Arequipa/ Peru
Telephone: (+51-54) 607461 | Lima: (+51-1) 6513232
Fax: Arequipa: (+51-54) 607462 | Lima: (+51-1) 651323
E-mail: prodriguez@dcrmineraiyconstruccion.com

(RECERTIFICATION AUDIT)

Location detail and description of operation:

DCR MINERIA Y CONSTRUCCION S.A.C. (DCR) has a large fleet of tractor trailers for transporting loose cargo and containers. All their vehicles are monitored with radio frequency systems and GPS reserved in real time.

DCR was initially certified in 2010 under the International Cyanide Management Institute, for Cyanide Transportation operations. DCR receives the cyanide directly from the port facilities or other storage sites. It can be transported in containers. DCR does not have storage facilities and does not remove the product from the containers.

The scope of this audit includes the operation of ground transportation from Port Authority in Callao, where cyanide is released, to delivery at the customer's installation Cyanide is received from the manufacturer or consigner in the following packaging presentation:

- Interior Poly-propylene super-sack filled up to 1 ton and placed inside a Polyethylene bag and wooden box.

No less than 20 boxes are placed in standard 40-foot and 20-foot shipping containers; boxes are placed way to prevent lateral movement within the container.

DCR was certified the Cyanide Code in 2010; and recertified in 2014, 2017; so this is the 3rd. Cycle audit Recertification. See www.cyanidecode.org .

These activities have been carried out for 3 years with ZERO (0) accidents.

<hr style="width: 100%;"/> <p>DCR Name of Facility</p>	 Signature of Lead Auditor	<p>March 10-11th, 2020 Dates</p>
------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------	-------------------------------------------------

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

A.2 Overall Auditor's Finding

This operation is

- in full compliance
- in substantial compliance
- not in 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

Audit Company: Geosoluciones Panamá, S.A.

Audit Team Leader: Jorge Efrén Chong Pérez

Email: geosoluciones@cwpanama.net



Dates of Audit: March 10-11th, 2020

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanided 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.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

B- ROLE AS CYANIDE TRANSPORTATION

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

Transport Practice 1.1:

Select cyanide transport routes to minimize the potential for accidents and releases.

This operation is

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

Summarize the basis for this Finding/Deficiencies Identified:

DCR Mining and Construction, SAC (DCR), implements the procedure QHSE-DCR-QHSEpro004 “Procedimiento para la selección de rutas en el transporte de materiales” (Procedure for the selection of routes in the transport of hazardous materials) item 6-H p. 8 continues to implement the route evaluation procedure, updated on January 13, 2020, which incorporates a route risk assessment. This is all part of the transportation procedure, with no exceptions and at all times. DCR personnel escort the convoy loaded with cyanide to the mine. There are two escorts for every six transport vehicles.


The procedure considers in section F, page 7: making a list of the main cities and/or towns through which the route passes, in order to have a more accurate knowledge of the location of the units. In addition to being extremely important to know which cities are close in case of an incident, this facilitates communication with the control center, the provision of accessories for emergency response and finally the accommodation of the brigades.

- List of main cities
- Escort Supervisor
- Tract operators (drivers)

Section H, page 8 presents the procedure to establish a description and identification of hazards and a detailed risk assessment of the route to be taken considering the following aspects:

- Dangerous Curves - Steep climbs - Steep descents - Population density - Presence of water bodies
- Rest areas and the location where the units will spend the night
- Main cities

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

- Significant bridges especially where a water source runs
- Railroad crossings
- Frequent landslide areas
- Areas with adverse weather conditions (snow, rains, etc.)
- Foggy areas
- Areas environmentally protected by Peruvian laws and/or at-risk areas
- High theft risk areas
- Any additional conditions that are pertinent according to the best risk/consequence judgment.
- Emergency stop locations.

DCR has implemented the procedure for hazard identification, risk assessment, and en-route control measures, QHSE-DCR-QHSEpro003 “Procedimiento de Identificación de Peligros, Evaluación de Riesgos en Ruta”.

The Chief Safety Officer, Chief Dangerous Materials “Materiales Peligrosos” (Matpel), together with the Operations Manager will coordinate and designate the group in charge of performing the hazard identification and risk assessment for the selected route.

Preferably the group will be made up of the members who carried out the recognition and selection of the route mentioned in the Procedure.

The working group will proceed to collect all the information regarding the route to be analyzed.


The following formats are taken into account when collecting information:

- Report on the Selection of Transport Routes
- Route recognition

DCR is currently carrying out the transport process on the routes:

La Arena Mine,
Inmaculada Mine,
Pierina Mine,
Volcan Mine,
Pucamarca Mine,
Lagunas Norte Mine,
Cerro Óxidos Mine,
Casapalca Mine,
Yanacocha Mine,
Shahuindo Mine,

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

Per this procedure guidelines, QHSE-DCR-QHSEpro004 “Procedimiento para la Selección de Rutas en el Transporte de Materiales Peligrosos sección 6-L p. 9 establishes that, periodically, the selected “Active Routes” will be reevaluated to confirm that no new hazards, risks and/or route modifications have arisen that could alter the degree of safety of the selected route. In case there are any changes in the active routes, the dangers and risks will be identified, if any, and will be considered in the Route Hazard Identification, Risk Assessment, and en-route Control measures, QHSE-DCR-QHSEpro003 “Procedimiento de Identificación de Peligros, Evaluación de Riesgos en Ruta”(IPERC).

This process is carried out every time the supervisor identifies any change in the route. He/she will inform operations management in the *Hazardous Materials Travel Report* “Informe de Viaje de Materiales Peligrosos” (QHSE-DCR-Fmatpel002) that can be found in the periodic reports from the route supervisor or drivers on the state of the roads.

It is declared as "Inactive Routes" those in which shipments have not been made for over a year. To "Activate" these routes, they must be updated per this procedure before shipping or carrying out the transportation service.


The evaluation of the route is documented in the travel report form QHSE-DCR-Fmatpel002, in which the escort supervisor reports any observations on the route.

For example, critical slopes, narrow roads due to landslides, as in the route report to the Mining Unit of Inmaculada de Ayacucho made on August 10, 2019, in which the existence of a narrow section with collapse and critical slopes on the road, reported by the escort supervisor Roberto Neyra Huayhua, are reported and warned for future trips.

Similarly, when there has been no observation or novelty, if indicated in the travel report, in this case in the process of transportation to Cajamarca (Shahuindo) on July 19, 2019.

Section 6.1.2 c p.10 of the QHSE-DCR-QHSEpro003 procedure, “Procedimiento de Identificación de Peligros Evaluación de Riesgos y Medidas de Control en Ruta,” establishes that the Acceptable Residual Risk condition is maintained over time, only if the controls identified and implemented in the initial formal evaluation process are also maintained. Specific evaluations must be maintained. The evaluations will be carried out by the person or group of people in charge of a task. If any deviation is found, the task cannot be started until the correct implementation is ensured. The measures adopted are documented in a Risk Analysis register whose methodology is indicated in the same procedure.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

The procedure QHSE-DCR-QHSEpro004 section 6-J page 8 establishes that the opinions of the communities about the dangers and risks of the route to be selected will be sought. With these comments, supervisors will proceed to select and/or evaluate routes with greater precision, identifying the hazards and analyzing the risks that exist along the route and determining the necessary measures to deal with said risk.

It is important to investigate and/or seek information on the dangers and risks existing during different seasons of the year, especially in areas where climatic conditions are variable.

DCR has sent communications to the police, communications to municipal authorities, communications to health centers, and communications to firefighters. The purpose of this was to establish an initial communication regarding the risks on the routes, provide information about cyanide as well as phone numbers in case of emergency or queries.

In QHSE-DCR-QHSEpro006 “Procedimiento de Seguridad Operacional en el Transporte de Cianuro section 6.5 p. 10 (cyanide transport operational safety procedure), escort settings are established, depending on the number of transport vehicles.

The configuration of the escort vehicles is two (2) for every 6 transport vehicles. They transport oxygen, materials, tools, personal protective equipment, and substances for neutralization in case of emergencies. There will be three (3) escorts for 7 transport units or more.

The escort units employed are inspected on each trip. The mechanical condition and the condition of the equipment that the units have in case of emergency or mechanical failure are documented through a form.

The procedure QHSE-DCR-QHSEpro004 section 6-K p.9, establishes that it is necessary to maintain communication to the external responders, medical facilities and/or communities (community authorities) along the route, which fulfill a function during an emergency. They must be informed that the hazardous material will be transported through the area so that they can prepare to respond if necessary.

The Chief of Safety or his/her designee must report on the Company's Emergency Plan and deliver the MSDS, along with the route IPERC and keep records of delivery of this information and these communications.

This activity must be carried out prior to the first transport on the selected route and annually on the routes already used by the company.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

“DCR” does not subcontract any cyanide handling or transporting company.

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 QHSE-DCR-QHSEpro006 procedure, “Procedimiento de Seguridad Operacional en el Transporte de Cianuro” (Operational Safety Procedure in the Transport of Cyanide) section 6.4.2 p. 9, establishes that operators must have A4 driver's licenses, which are required by the Peruvian State.

The licenses of the three drivers were verified (Luis Dávalos, Percy Fernandez y Roberto Neira). They were valid and of the appropriate category.


DCR has prepared an annual training program that goes over thirty two (32) topics in 2019 and thirty seven (37) topics in 2020.

According to the records reviewed, four (4) training topics are provided by companies that are external specialists in HazMat material, firefighting, defensive driving and first aid; the remainder is dictated by DCR's health, safety and environmental professionals.

The training plan updated to 2020 considers issues related to actions to be taken in case of spills or exposure to hazardous materials. This external course complemented with drills is taught by the Peruvian company with forty (40) years of service Engineering Services, SAC, under 29 CFR 1910.120, and NFPA-472.

All personnel handling cyanide and operating the transport equipment have been trained on how to avoid accidental spills, as well as on measures to be taken in case of exposure. This in addition to the required annual training plan.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

“DCR does not subcontract any cyanide handling or transport company.

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:

The gross weight of the 40-foot long shipping containers is 26.4 ton (3.7 container tare + 22.7 cyanide, according with carrier waybill and proof of receipt at the mine). The load capacity of the transport equipment used to carry these containers is 30 ton, according with the Peruvian vehicle identification card, and the capacity of the low-bed platform is 34.5 tons. The gross weight of the sea containers that DCR expects to transport is 22.7 tons, and the gross weight of the iso-tanks that are expected to be transported is 20 tons: 17 tons of cargo and 3 tons in weight of the structure.

DCR in the QHSE-DCR-QHSEpro006 procedure section 6.2.1 p. 5, establishes the requirements of the trailer specifications. They must be regulated by the T3S3 vehicle configuration which makes them compliant with Decret Supreme (Decreto Supremo) D.S. 058-2003 of the Ministerio de Transporte y Comunicaciones (Ministry of Transport and Communications).


The trucks will be (up to) 5 years old by DCR's quality policy.

Each truck has a 6 x 4 traction trailer, a 3.7 m wheelbase, a 6-cylinder engine, hydraulic steering, a 24 V electronic system and an electronic tachometer. They must comply with the Euro 5 emission standards.

Container requirements

- a. DCR Minería y Construcción S.A.C will have 40-foot and 20-foot containers for the transport of Sodium Cyanide with their respective labeling.
- b. The client will provide 20-foot and 40-foot containers.
- c. The containers are made of corrugated steel without refrigeration and hermetically sealed.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

d. The container will be permanently fixed on the platform and/or low bed and will be fixed by a system of chains and safety pins to secure the semi-trailer containers, which will be recorded in the Form QHSE-DCR-Fmatpel002 : “Informe de Viaje de Materiales Peligrosos” (Hazardous Materials Travel Report). Any observation is placed in this format.

e. The tract with the container is classified within the T3S3 vehicle configuration, which complies with the Decret Suprem D.S. (Decreto Supremo) 058-2003 MTC (Ministerio de Transportes y Comunicaciones), Ministry of Transport and Communications.

Suspension: Rocker arm model with spring package with 33-ton capacity. With mechanical lifter on the first axis.

Axles: Three tubular axes.

Coupling: For 6x4 and 4x2 truck tract with king pin.

Support Jack: Mechanic.

Pneumatic Installation: One outlet to fast discharge valve with 3/8 air pipe.

Electrical Installation: 12 V and 24 V. With direction, position, reverse and brake lights, 7-way electric grounding.

Brakes: Compressed air, with brake shoes for parking, service and emergency brakes. Manual brake regulators. Safety brake system.

The maintenance of the equipment will be carried out following the manufacturer's manual indications, according to the inspection reports made by the drivers and the preventive maintenance program.

Transportation equipment inspections will be regulated by QHSE-DCR-QHSEpro006 “Procedimiento de Seguridad Operacional en el Transporte de Cianuro” (Operational Safety Procedure in the Transport of Cyanide) item 7.1 p. 10

QHSE-DCR-Fmatpel027 - Check List cyanide vehicle

QHSE-DCR-Fmatpel011 - Check List escort vehicle

The procedure QHSE-DCR-QHSEpro006 section 6.2.1 p.5 “Procedimiento de Seguridad Operacional en el Transporte de Cianuro” (Operational Safety Procedure in the Transport of Cyanide) indicates.

6.2.1 Truck requirements.

DCR will permanently have adequate transport units prepared for the transport of Sodium Cyanide. The tract with the container is classified within the T3S3 vehicle configuration, which complies with the D.S. 058-2003 MTC.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

The suitable mechanical engineer Christopher Vargas Basurco is in charge of scheduling and leading the maintenance of the equipment.

DCR Minería y Construcción, SAC vehicles are subjected to non-destructive tests by visual inspection and magnetic particles periodically by Global Supplier S&P SAC based on ASME Code 2004 Sec. V Art 9 (Visual testing), AWS D1.1/D1.1M:2008 Structural Welding Code Steel, ASTM E 709 – 01 Standard Practice for Magnetic Particle Examination, ASTM E 1444 – 01 Standard Guide for Magnetic. Particle Examination and B&PV ASME Code 2004. Sec. V. Art. 7. – Magnetic Testing.

These tests are performed on the chassis, axle tips, spring supports, king pin surface, and the king pin itself, of the trailers.

And in the towing trucks, tests are carried out on the chassis, front axle tips, the structure where the low bed rests, and the connection with the chassis.


All documentation required for the container's extraction from Customs (cargo customs declaration, commercial invoices and guides) will be verified through this procedure. This documentation including the shipper's referral guides, must match the number of containers discharged from the ship, in order to avoid any legal inconveniences when picking up the containers from the port premises. The previous documentation indicates the number of cyanide boxes and weight to be transported.

The QHSE-DCR-QHSEpro006 procedure establishes that the configuration of transport vehicles and their axle load capacity must be regulated by the T3S3 vehicle configuration, thereby complying with the Supreme Decree. 058-2003 of the Ministry of Transport and Communications.

In the trip reports, the controls from the departure of the load in terms of weight, the preservation of security seals and accompaniment on the way, until the delivery of the same can be verified.

“DCR” does not subcontract any cyanide handling or transport company.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

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:

The QHSE-DCR-QHSE pr006 section 7.4 of a, b, c, d, e, f and g procedure remains the same in this regard since the last audit.

Drivers must ensure that each container number matches the one indicated in the documentation issued by the customs agency, following the chain of custody in accordance with the sender and recipient referral guidelines.

The container will be permanently fixed on the platform or a low bed (whose center of gravity is favorable to stability) and will be fixed by a system of chains and safety pins to secure the semi-trailer containers, which will be recorded in the Form QHSE-DCR-Fmatpel002: “Informe de Viaje de Materiales Peligrosos” (Hazardous Materials Travel Report). Any observation is placed in this format.


The Supervisor Matpel will verify the condition of the boxes. Their correct distribution will be reviewed according to the Sodium Cyanide Reception and Delivery format. Matpel is empowered to reject any cyanide box if it does not comply with the corresponding security measures to be transported (defective boxes, broken stretchers, etc.).

Travel reports keep track of what is received and delivered to the destination mine, including physical observations of the condition of the containers.

The QHSE-DCR-QHSEpro006 procedure establishes the labeling requirements in section 6.2.3 p.7:

- a. Cyanide transport units must have adequate signage complying with the Peruvian Technical Standard NTP399.015-2001.
- b. The containers will have the code UN - 1689 code of the United Nations orange book.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

- c. NFPA 704 is the Standard that explains the "diamond of hazardous materials" established by the National Fire Protection Association, used to communicate the risks of hazardous materials
- d. All containers must have a clear and visible identification.
- e. Cargo containers should have on each side: 1 NFPA Rhombus sign, a UN code sign, a United Nations classification of hazardous materials sign and a marine pollutant sign. And at each end of the unit, he must have: 1 NFPA Rhombus sign, a UN code sign, and a United Nations classification of hazardous materials sign.
- f. According to these rules, the units will be marked.

Travel reports are illustrated with pictures, which evidence sustained use of appropriate signage.

DCR has established in procedure QHSE-DCR-QHSEpro006 section 7.1 b and c p. 10 that inspections of transport and escort vehicles must be carried out by the drivers and the supervisor of each escort vehicle, both in the front of the convoy as in the back.

The following forms are used to document these inspections: QHSE-DCR-Fmatpel027 - Check List cyanide unit, QHSE-DCR-Fmatpel011 - Check List escort vehicle.

DCR has established the procedure QHSE-DCR-MANpro001 “Procedimiento para Mantenimiento Preventivo y Correctivo” (Procedure for Preventive and Corrective Maintenance).

In their own workshop, scheduled preventive maintenance according to the equipment manufacturers' manual and unforeseen repairs are performed.


Every service begins with a work order, in which the scope of work and availability of resources are verified.

Among the scheduled maintenance are 75,000 km, 50,000 km, 30,000 km; each with its corresponding scope of work, and the availability check once completed.

During the audit, maintenance records were reviewed. A visual verification was also carried out in the mechanics, welding, and electricity workshops, as well as in the spare parts warehouse.

DCR has established in procedure QHSE-DCR-QHSEpro006 section 6.3 p.8:
Trips will be scheduled only during the daytime hours (in daylight), except for modifications due to force majeure events or direct coordination with clients.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

The maximum daily worktime will be of 12 hours, including a 01-hour breakfast break and a 01-hour lunch break (02 hours break in total). After that time the staff will proceed to rest for 8 hours.

Travel reports document the sections traveled, as well as stops for meals or other reasons. Travel records for Pierina, Laguna Norte, Shahuindo and La Arena were reviewed.

The operation will transport cyanide both in iso-tanks and in sea containers.

To prevent load from shifting, the QHSE-DCR-QHSEpro006 procedure section 6.1, p.5 has been developed:

In bulk mode, iso-tanks are used to transport an amount of approximately 17 tons of solid sodium cyanide, fixed by safety pins and chains in the semitrailer.

In the 20-foot mode, fixed by safety pins and chains, each 20-foot container will carry 20 boxes stacked on two levels to occupy the entire volume of the container to prevent cargo from shifting. Each box includes a 1-ton big bag of solid sodium cyanide.

In the 40-foot container mode, fixed by safety pins and chains, each 40-foot container will carry 20 boxes located at floor level (not stacked) for added stability that occupies the entire area of the container to prevent cargo from shifting. Each box includes a 1-ton big bag of solid sodium cyanide.


DCR has established in procedure QHSE-DCR-QHSEpro006 section 7.5 d, p.12 that the Escort Supervisor is empowered to stop the convoy of units if the safety standards established in this procedure are not met and/or the conditions for the trip are not adequate (adverse conditions, social conflicts).

DCR has established an alcohol and drug policy, “Política de Alcohol y Drogas” QHSE-DCR-pl002.

QHSE-DCR-QHSEpro006 “Procedimiento de Seguridad Operacional en el Transporte de Cianuro” (Operational safety procedure in the transport of cyanide) item 7.6 a, b and c, p. 13.

- i. The escort supervisor delivers the route sheet, the check list, the control record, waybill “Guía de remisión del remitente-GRR”, carrier forwarding guide “Guía de remisión del transportista-GRT”, along with the trip report in which any modification in the route is registered, which will be presented to the client upon request.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

- ii. The operator of the tract (driver) upon returning to the base will deliver to the Operations Coordinator the sender and carrier referral guides.
- iii. The tractor operator (driver) makes the maintenance request, which will be referred to the maintenance area to monitor the operation of the Unit.

The operation is committed to maintaining records documenting the maintenance aspects of the vehicles; limitation in driving hours, meals and breaks; and alcohol and drug tests performed.

In the form Registration of Controls- QHSE-DCR-Fmatpel002: “Informe de Viaje de Materiales Peligrosos” (Hazardous Materials Travel Report), stops for rest, meals will be recorded; as well as any anomaly or observation on the route.


In the forms: For the records of maintenance of tracts the formats will apply: QHSE-DCR-Fman006, QHSE, DCR-Fman007, QHSE-DCR-Fman008, QHSE-DCR-Fman009.

And for the maintenance records of the trailers, semi-trailers and low beds, the formats will be used. For maintenance, the following formats apply: QHSE-DCR-Fman080, QHSE-DCR-Fman081, QHSE-DCR-Fman082.

All drivers and members of the convoy, before leaving for the trip, will pass an alcohol test. The results will be documented on form QHSE-DCR-matpel004.

“DCR” does not subcontract any cyanide handling or transport company.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

Transport Practice 1.5:

Follow international standards for transportation of cyanide by sea and air.

The scope of this audit is only for ground transportation operations performed by DCR from Port and certified warehouse to client's site.

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” does not transport by sea or air and sea.

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 has established in procedure QHSE-DCR-QHSEpro006 section 7.5 a and d that the convoy has base radios in its units for communication. The escort supervisor has the responsibility to verify the presence of a cell phone and a satellite phone.

In the travel reports, the state of the communication radios, telephones including satellite, is recorded before starting the transport process; verified in travel reports from three mines.

Any situation encountered is communicated to the base immediately and recorded in the trip report.

Additionally, the network manager maintains GPS communication with all units on routes.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

According to the procedure QHSE-DCR-QHSEpro006 section 7.1 b) p.10, the monitoring control supervisor Marco Huahuacondori will verify that the GPS of the units is active, before starting the transport process.

Verifications of communication equipment are placed in the forms indicated below.

"QHSE-DCR-QHSEpro006 "Procedimiento de seguridad operacional en el transporte de cianuro" (Operational safety procedure in the transport of cyanide) item 7.1.a, b, c PAG 10.

QHSE-DCR-Fmatpel027 – "Check List unidad cianuro" (Check List cyanide unit)

QHSE-DCR-Fmatpel011 – "Check List camioneta escolta cianuro" (Check List Cyanide Escort Van).

DCR is committed to periodically testing radio and telephone equipment. DCR is also committed to test them daily during all transport processes, to ensure their functionality, in the forms QHSE-DCR-Fmatpel027: "Check List unidad de cianuro" (Check List cyanide unit) made by the operator of the tract (driver). The Check List of the escort van is also carried out, which is documented in form QHSE-DCR-Fmatpel011: Escort Van Check List.

Intermittent blind areas have been identified on both routes considered, in which the use of satellite phones will cover this need.

In the procedure QHSE-DCR-QHSEpro004, "Procedimiento para la Selección de Rutas en el Transporte de Materiales Peligrosos" (Procedure for the Selection of Routes in the Transport of Dangerous Materials) section 6.1 G p. 8 establishes that it will proceed to carry out an identification of the areas where it is impossible to establish communications.


On the QHSE-DCR-Fmatpel006 "Reporte de Selección de Ruta de Transporte" (Transportation Route Selection Report), these blind areas must be recorded.

On the QHSE-DCR-Fmatpel006 "Reporte de Selección de Ruta de Transporte" (Transportation Route Selection Report), established in section 7.5 g, a establishes the requirement to track GPS.

The transport vehicles have two cameras in the cabin that allow remote viewing of both the road where the equipment circulates, and the driver, inside the cabin.

The GPS supervisor Marco Huahuacondori was interviewed. He gave the lead auditor a demonstration of how the transportation process monitoring will be carried out

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

DCR will implement the chain of custody system, since departure with the cargo, including a security seal placement. In QHSE-DCR-QHSEpro006 section 7.4 c p.11 “Procedimiento de Seguridad Operacional en el Transporte de Cianuro” (Operational Safety Procedure in the Transport of Cyanide), states:

c) The operator of the tract (Driver) verifies that all the data included in the sender's and carrier's Remission are correct. He must verify the gross weight in the record of weights and measures and the MSDS issued by the provider. He will carry this throughout the course of the service to its destination.

The driver will only load the maximum amount of 20 boxes of sodium cyanide per container, each of which includes a bag (Big-Bag) of 1 ton each, according to the configuration and design of the unit.


On forms QHSE-DCR-Fmatpel002 - “Informe de Viaje de Materiales Peligrosos” (Dangerous Materials Travel Report) and QHSE-DCR-Fmatpel001 - “Recepcion y Entrega de Cianuro de Sodio” (Receipt and Delivery of Sodium Cyanide), the control of the cyanide charge will be carried out from reception to delivery in the mines.

The operator of the tract (Driver) verifies that all the data included in the “Guías de Remisión Remitente y de Transportista” (sender’s and carrier’s Remission Waybill) are correct. He must verify the gross weight in the record of weights and measures and the MSDS issued by the provider. He will carry this throughout the course of the service to its destination.

The MSDS of the products that will be transported have the MSDS safety sheets.

“DCR”, does not subcontract any cyanide handling or transport company.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

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:

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

Summarize the basis for this Finding/Deficiencies Identified:

The operation is in NOT APPLICABLE with Standard of Practice 2.1 requiring an operation Store cyanide in a manner that minimizes the potential for accidental releases.

DCR has no stores or warehouses in territory of Peru.

3. *EMERGENCY RESPONSE: Protect communities and the environment 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 has the procedures Sodium Cyanide Transport Emergency Preparedness and Response Plan, implemented for ten (10) active routes:

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

La Arena Mine, QHSE-DCR-MATPELpe001.02
Inmaculada Mine, QHSE-DCR-MATPELpe001.04
Pierina Mine, QHSE-DCR-MATPELpe001.09
Volcan Mine, QHSE-DCR-MATPELpe001.10
Pucamarca Mine, QHSE-DCR-MATPELpe001.11
Lagunas Norte Mine, QHSE-DCR-MATPELpe001.13
Cerro Óxidos Mine, QHSE-DCR-MATPELpe001.14
Casapalca Mine, HSE-DCR-MATPELpe001.15
Yanacocha Mine, QHSE-DCR-MATPELpe001.16
Shahuindo Mine, QHSE-DCR-MATPELpe001.17

The Emergency Preparedness and Response Plans for the Transport of Sodium Cyanide have the same structure in which general objectives, specific objectives, risk assessment and identification of critical areas and activities are considered. Response levels of the Plan, organization of the Emergency Response System. Internal and external communication. Emergency response protocols. Training and drills; and continuous improvement.

The Supreme Decree 021 - 2008 - MTC requires that the emergency plans for the transport of hazardous materials and waste, be prepared in accordance with Law No. 28551.


In Subchapter V on actions in case of emergencies, the Supreme Decree states that when for emergency reasons involving the load of the materials and/or hazardous waste transported, the vehicle stops at any place, the driver must apply what is indicated in the emergency plan, reporting the fact immediately to the institutions indicated in said document.

The Emergency Plan has considered different scenarios to comply with the legal requirements in matters related to emergency response. These scenarios include actions to be taken in incidents related to cyanide in solid, liquid, and gaseous state.

Section 4.2.5 considers the requirements of the mode of transport to eliminate risks due to synergies and / or incompatibilities with other substances:

The potential emergency situations to which the company's operations are exposed are identified according to the severity of the probable consequences, which have been categorized into Level 1, Level 2 and Level 3. The emergency action levels include personnel and equipment required for care, as well as limitations in the event that the incident exceeds the response capacity limit.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

The Emergency Response Plan establishes the communication procedures with the mines Emergency Response System area when an emergency occurs or is imminent.

It establishes communication quickly and efficiently to deal with any emergency, coordinating and supporting the Emergency Response System area.

It has a structured, planned organization and distribution of responsibilities to effectively face an emergency to minimize post-emergency losses.

It shows how to apply preparedness measures to respond to eventual emergencies, to reduce the impact on people, property, the environment and the community.

It has contingency measures that allow, once an emergency has occurred, to restore operations in the shortest time.

In all mine procedures QHSE-DCR-MATPELpe001- “Química Básica del Cianuro” (Basic Chemistry of Cyanide) explains the general aspects associated with levels of intoxication, lethal dose, the risks of cyanide in different states are listed, as well as identification of the substance.


The limits of exposure to cyanide and its characteristics are detailed according to the humidity and type of presentation.

The content expresses the toxicity data and the human response to the different concentrations of HCN gas.

Section 8.1 of the Emergency Response Plan establishes the flow chart of actions before the occurrence of an incident, which follows these steps:

-) Securing the convoy units
-) Accident notification
-) Initial assessment of scene safety
-) Conformation of the incident command
-) Identification of the problem, isolation of the area
-) Response planning
-) Implementation of the action plan
-) Verification of compliance with the action plan
-) Decontamination and end of incident

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

Each action describes details of the implementation associated with transport on platforms and iso-tanks, including meeting points.

Section 8.2 of the Plan divides emergency procedures into three areas: procedures related to the transport vehicle itself, those related to the surroundings and the environment, and those related to the product. Although the procedures are divided, they are framed within the trucking process.

The types of cyanide antidote that the operation has available are:

-) Amyl Nitrite inhalants, usp.
-) Sodium Nitrite injection, usp.
-) Sodium Thiosulfate injection, usp.

During transportation, the antidotes are carried in the escort vehicle along with disposable syringes. DCR drivers and escort personnel are trained to administer the antidotes. Administering the antidotes for cyanide poisoning is included in the content of the training specification agreement between DCR and the Hazardous Material course provider.

Outside responders would administer the antidote in cases in which the client or mine attends the second response. During the transport process, the convoy is always accompanied by an-ORICA inspector.


The operation carries the antidote and is stored during transport according to the manufacturer's recommendations. According with MSDS, only Amyl nitrite inahalants require storage at 25 °C (77 °F). Sodium nitrite and Sodium Thiosulfate do not require any specific storage.

Section 8.6 addresses the procedure for lifting the state of emergency, which can only be lifted by the incident commander.

This event of lifting the state of emergency must be carried out in close coordination with the GENERAL DIRECTORATE OF ENVIRONMENTAL HEALTH OF THE MINISTRY OF HEALTH. This applies in the case of large events that involve the integrity of the population and the environment near the emergency area.

DCR in Annex 6 of the Emergency Plan contains a quick reference chart for emergencies, in which a summary of the measures applicable in the different scenarios to avoid poisoning and contamination is presented. This considers the application of antidote and the coordination with paramedics and doctors of the attention centers and the client.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

In the QHSE-DCR-MATPELpe001 procedures - section 4.1. “Evaluación de Riesgos e Identificación de Áreas y Actividades Críticas” (Risk Assessment of Critical Activities Areas) p. 3, aspects related to the road are considered, including watercourses and communities on the routes.

In the report of each trip, the escort supervisor documents the findings found during the route, in order to serve as a positive reference in future transport processes.

Transport vehicles such as trailers, tractors and iso-tanks are considered in the Emergency Plan. Procedures have been established in section 8.2.1 to 8.2.16 in different vehicle-related scenarios on dry, wet, rural, urban areas, spills from a broken box, spills from several broken boxes (large spills).

The use of 40-foot trailers and containers, containing 20 tons of cyanide, has been adopted in order to obtain a lower center of gravity, achieve more stability, and streamline the handling of an emergency and the clearance of the way in case it is obstructed by an incident.

The flatbeds are 20 feet long. They have the same objective of maintaining a lower center of gravity, which transport 20-foot long shipping containers with 20 tons of cyanide. The iso-tanks are transported in flatbed with a net load of 17 tons, and thus also achieve greater maneuverability and stability in an emergency, and a lower center of gravity.

Iso-tanks have an inspection certificate issued by Bureau Veritas. The following characteristics were examined:

-) Weld joints were verified by magnetic particles.
-) Thickness verification by ultrasound.
-) Inspection by penetrating dyes.
-) Calculation memory registration.
-) Calculation of remaining life.
-) Rate of corrosion.
-) Dimensional control.
-) Hydrostatic test.
-) Sandblasting and painting records.
-) Hatch and seal conditions.
-) Load and lifting support structure.

The above certifies the suitable operating capacity of each container tank or iso-tank. The trip report verifies important points about the state of each of the iso-tanks that could have major consequences in an emergency.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

In incidents related to the transport vehicle, the plan considers incidents of mechanical damage, and how to ensure that the cargo is protected on the road as well as in populated areas. Since the towing trucks and the platforms have similar specifications, it is possible to achieve logistical support with another unit in the event of an incident, and maintain a spare parts inventory tailored to the needs of the entire fleet.

The container or iso-tank must be permanently fixed on the platform and / or bed and it will be fixed by a system of chains and safety pins to secure semi-trailer containers, which will be recorded in the Hazardous Materials Travel Report Format and any observation will be placed in that format.

In the procedures related to the Emergency Plans of Mines, section 8.2 “Procedimientos de respuesta a emergencias” (Emergency response procedures), different scenarios are established of incidents, such as those related to the vehicle unit, the environment - surroundings and the product.

These actions refer to events directly related to the vehicle unit, related to the environment and surroundings and related to the product.

In the aspects related to the vehicular unit, mechanical damage, vehicular fires, incidents on the Highway are considered.


Of the incidents related to the environment and the environment, it refers to adverse environmental conditions such as electrical storms, heavy rains, hail-snow, fog, social disorder, landslides, earthquakes, pedestrian collision, assaults and vandalism, police detention, illness of the operator.

Of the product-related spills, dry spills, large spills (from a large container to many small spills), minor spills (from a small container to a large container), spills on wet ground, spills in water courses.

According to the procedures established in the “Plan de Respuesta a Emergencia” (Emergency Response Plan) QHSE-DCR-MATPELpe001, “Identificación de responsabilidades” (Identification of responsibilities), the responsibilities of the client, mining company, police of Peru, the “Instituto de Defensa Civil” (Institute of Civil Defense) (INDECI) and the “Ministerio de Salud” (Ministry of Health) are defined.

The client in the mining company, provide technical support and additional information that may be requested by DCR Minería y Construcción S.A.C. or by the authorities in case of emergency.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

The police of Peru will provide support to the General Voluntary Fire Department of Peru, in the attention of the emergency or accidents that derive from the transport of the dangerous material. In case of fire, accident or any traffic emergency, the Peruvian National Police and / or the Peruvian Volunteer General Fire Department must adopt the necessary security measures to face the emergency and prevent damage.

INDECI has the function of providing support in emergency care by providing immediate support to the population affected by disasters generated during the operation of transporting the hazardous material.

Ministry of Health, has the function of medical attention for the injured according to the legal regulation of SOAT (compulsory insurance for traffic accidents), to declare areas in a sanitary emergency situation for any inadequate handling in the land transportation of materials and / or hazardous waste. Provide for the lifting of the state of emergency generated by the inadequate handling of hazardous materials and / or waste by land transportation. Provide the risk of control of health risks, generated by the land transport of hazardous materials and / or waste.

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

Summarize the basis for this Finding/Deficiencies Identified:

DCR has prepared training in emergency response, as established in QHSE-DCR-pg003 – “Programa Anual de Capacitación” - Curso HAZMAT” (Annual Training - HAZMAT Course).

This course is taught by a specialized external company, with a duration of 24 (hours) per person, for all drivers and supervisors. This course is scheduled to be taught in the month of August 2020 according to said Annual Training Program. Records of the courses offered by the Chief of Safety Paul Rodríguez, on Hazardous Materials, to the staff were reviewed.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

The description of the responsibilities and roles of the mines route personnel, in case of emergencies, are indicated in QHSE-DCR-MATPELpe001, “Organización del Sistema de Respuesta a Emergencia” (Organization in an Emergency Response System)

For all routes the responsibilities of the General Manager, Operation Manager, Chief Operation, Incident Commander, HazMat Chief, Safety Officer, Planning Section, Liaison Section, Operations, and Logistics are described, in section 6.

The detailed list of emergency response equipment is defined in the Emergency Plans QHSE-DCR-MATPELpe001 “Lista de Equipos de Primera Respuesta ante Emergencias y de Protección Personal” (List of Emergency Response and Personal Protection Equipment) Annex 4.

Among the types of equipment detailed in the checklist are:

- a. Personal Protective Equipment (PPE's): For the execution of daily tasks.
- b. Vehicle Protection Equipment (EPV): For minor incidents and mechanical damage to the unit.
- c. Vehicle First Response Equipment: For product-related vehicle emergencies.
- d. Escort First Response Equipment: Emergency response Equipment .

These implements will be reviewed in each shipment of Sodium Cyanide through the CHECK LIST. This activity will be carried out by the Route Supervisor, also including escort trucks. The use is mandatory according to the needs and characterization of the identified risks.

Each trip report documents the state of emergency response equipment inspections, including: Tyvek protective clothing, full face mask, gloves, HCN detector, satellite phone, breathalyzer, breathable oxygen kit, decontamination pool and accessories for signaling.

DCR in QHSE-DCR-MATPELpe001, in Annex 4 lists the equipment necessary to attend an emergency during transportation. The status of the equipments for emergency response in the transportation process are recorded in the QHSE-DCR-Fmatpel011 trip records prepared by the escort supervisor. Travel records were reviewed. An inspection to the warehouse where equipment is available was carried out.

Travel reports from three mines were reviewed. Respirators, protective clothing, and other personal protective equipment were found in the warehouse for personal protective equipment supplies, with adequate specifications and in quantities to supply demand.

DCR will be regulated by document QHSE-DCR-Frh002 – “Ficha de Inducción de Personal Nuevo” (Induction form for new personnel), and QHSE-DCR-pg003 – “Programa anual de

<u>DCR</u> Name of Facility	 Signature of Lead Auditor	<u>March 10-11th, 2020</u> Dates
--------------------------------	------------------------------------------------------------------------------------------------------------------	------------------------------------------------

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

Capacitación” (Annual Training Program) which considers all the steps that a new worker must take in relation to their rights, human resources aspects, policies, hazard control, hygiene and risks prevention.

In the QHSE-DCR-pg003 – “Programa Anual de Capacitación” (Annual Training), the trainings are detailed following a periodic program, dictated by professionals internal and external to the company.

Training records for the year 2019 and 2020 were reviewed, which are documented for each worker, month by month and according to the matrix's annual training planning.

The QHSE-DCR-pg007.01 v00 “Programa de Inspecciones” (Inspection Program) establishes that the implements will be checked in the trucks in each shipment of Sodium Cyanide through the CHECK LIST. This activity will be carried out by the Route Supervisor, and it also includes escort trucks. The use is mandatory according to the needs and characteristics of the identified risks.

The equipment to be inspected includes trauma kit, fire extinguishers, spill kit, eye wash station, emergency light, portable ladders,, protective clothing, multi-gas cartridges, safety boots, gloves, polyethylene bags, signage, cleaning equipment, breathable oxygen application kit, MSA gas detector and neutralization substance.

Records of the mechanical states of transport vehicles and two escorts vehicles were reviewed.

“DCR” does not subcontract any cyanide handling or transport company.

Transport Practice 3.3:

Develop procedures for internal and external emergency notification and reporting.


This operation is

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

Summarize the basis for this Finding/Deficiencias Identified:

In the Emergency Response Plans for the routes: QHSE-DCR-MATPELpe001. “Comunicación Externa e Interna” (External and Internal Communication). The list of contacts and the flow of

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

communication to follow in order of the chain of command, of the mine, company, supply chain and authorities of Peru are established. It is established that any incident that occurs in the present sodium cyanide transportation service must be reported to the mine.

In the external communication list, all the route's police stations, health centers-hospitals, firefighters as well as the municipal authorities by region are considered.

The Emergency Response plans, QHSE-DCR-MATPELpe001, establishes that once a year the plan will be reviewed. As necessary, the outdated section (s) shall be updated. The following points will be considered:

- Alteration or modification of operations.
- Modification of the guidelines for the preparation of the emergency preparedness and response and mitigation plan.
- Changes in the organization of the emergency team.
- Drill Results.
- Emergency evaluations.
- New applicable legislation.
- Evaluation of a new route.
- Updating of emergency numbers (medical attention centers, fire companies, municipalities, police stations).

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/Deficiencias Identified:

The Emergency Response Plans, QHSE-DCR-MATPELpe001- “Procedimiento de Neutralización de soluciones o sólidos de producto derramado” (Neutralization Procedure for solutions or solids of spilled product); consider:

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

As established in section 8.3 for the “neutralization of solutions or solids of spilled product: (...) The area of the spill and the contaminated solids must be decontaminated by means of a treatment with excess dilute sodium hypochlorite, calcium hypochlorite or ferrous sulfate, after adding sodium carbonate or lime to increase the pH above 10.5. Wait 1 hour for complete decomposition before cleaning the spill area with copious amounts of water to ensure the highest possible dilution. The lime is poured over the spilled product until it is completely covered which is then collected.

Both calcium hypochlorite and lime are transported in the convoy.

According to the procedure in section 8.4, after applying the specific emergency response procedures, it is recommended to consider the following for decontamination of the spill area:

- a. Decontaminate all affected areas
- b. Define the appropriate container to recover the cleaning material.
- c. Remove contaminated soil and debris if required.
- d. Decontaminate all equipment.
- e. Package all contaminated material for disposal.
- f. Collect samples for certification: Water samples affected by contamination, soil samples, etc.
- g. The transportation and disposal of the contaminated material will be coordinated with the Shipper and Recipient of the cargo (mine). This process will be supervised by the Solid Waste Service Provider Companies “Empresas Prestadoras de Servicios de Residuos Sólidos” (EPS-RS) that the shipper or recipient indicates.


Pursuant to Procedure 8.2.13 (regarding Product Related Incidents), DCR will be responsible for remediating dry cyanide spills, including recovery, for small spills (spills from a single box). The incident commander must coordinate the arrival of specialists who can certify the state of soil contamination and corrective measures must be taken.

In the event of large spills, involving breaks of more than one (1) box, the support of the 2nd Response Team, under the lead of the mining company, will be requested.

In the event of spills in wet terrain, small or large, the support of the 2nd Response Team, under the lead of the mining company, will be requested.

In the Emergency Response Plan QHSE-DCR-MATPELpe001 “Procedimiento de Neutralización de soluciones o sólidos de producto derramado” (Neutralization Procedure for solutions or solids of spilled product), prohibited the use of chemicals, such as sodium hypochlorite, ferrous sulfate, and hydrogen peroxide, is prohibited.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

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

Summarize the basis for this Finding/Deficiencias Identified:

The Emergency Response plans routes “Plan de Preparación y Respuesta ante Emergencias” (PPRE), QHSE-DCR-MATPELpe001-“Revisión del PPRE” (Revision of PPRE), establishes that once a year the plan will be required to be reviewed As necessary, the outdated section (s) shall be updated. The following points will be considered:


- Alteration or modification of operations.
- Modification of the guidelines for the preparation of the emergency preparedness and response and mitigation plan.
- Changes in the organization of the emergency team.
- Drill Results.
- Emergency evaluations.
- New applicable legislation.
- Evaluation of a new route.
- Updating of emergency numbers (medical attention centers, fire companies, municipalities, police stations).

In the Emergency Plans QHSE-DCR-MATPELpe001 “Entrenamiento y Simulacros” (Training and Drills), it is indicated that the drill program will be carried out according to the Activities Program.

Steps of the “Activities Developed in the Hazardous Materials Drill”

- 1st Secure unit
- 2nd Notification about the accident
- 3rd Initial safety assessment of the accident area the scene
- 4th Establishment of the Incident Command
- 5th Identification of the problem
- 6th Isolation of the zone
- 7th Response Planning

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

- 8th Execution of the action plan
- 9th Verification of compliance with the action plan
- 10th Decontamination
- 11th Incident Term
- 12th Performance Evaluation of the simulated incident

DCR maintains drill plans. These drills are held every three months, in different settings.

Nine drills were carried out in 2018 and twelve in 2019. So far, in 2020, they have carried out a drill on February 7, 2020.

Two drill reports from the year 2018 and 2020 were reviewed. Representatives of ORICA and the Pierina Mine have participated in these. It was a simulation of vehicle collision and product spillage in dry terrain.

The revised report of the drill of 2019 presented a scenario of social conflict.

On November 15, 2019, a drill was carried out with the objective of evaluating the response capacity of the personnel that provide cyanide transport services to the Yanacocha mining unit, along with DCR with ORICA (cyanide supplier).

The scenario consisted of a case of a transportation process in which one of the trucks, to avoid a collision with another vehicle that was traveling in the opposite direction, went off the road. It overturned on an agricultural land of rice planting by immersion in water, in which workers were present.


As a result of the overturning, there was a loss of 10 kg of sodium cyanide in briquettes of 28 grams each, producing cyanide exposure. Two (2) exposed people are cared for and transferred. Decontamination is carried out by the second response team to the incident.

A final evaluation report of this drill with improvement suggestions was presented.

In the Emergency Plans of routes QHSE-DCR-MATPELpe001 “Mejora Continua” (Continuous Improvement); it is established that:

-) After the emergency and/or drill, an Emergency Analysis and Evaluation report will be prepared. The objective of carrying out this evaluation is to identify improvements for the Emergency Preparedness and Response process.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates

SUMMARY AUDIT REPORT
DCR MINERÍA Y CONSTRUCCIÓN, SAC - PERÚ

- J) Once a year the plan will be required to be reviewed as necessary, the outdated section (s) shall be updated, for which the following considerations will be considered:
- Alteration or modification of operations.
 - Modification of the guidelines for the preparation of the emergency preparedness and response and mitigation plan.
 - Changes in the organization of the emergency team.
 - Drill Results.
 - Emergency evaluations.
 - New applicable legislation.
 - Evaluation of a new route
 - Updating of emergency numbers (medical attention centers, fire companies, municipalities, police stations).

In all the scenarios reviewed in the structure of the reports for the years 2018, 2019 and 2020, it is evident that actions are taken to correct opportunities for improvement.

DCR
Name of Facility


Signature of Lead Auditor

March 10-11th, 2020
Dates