



IGS

integrar gestão e serviços

Summary Cyanide Transportation Verification Protocol

TRANSPORTES NIQUINI Ltda.

Jun 11-12, 2013

SUMMARY AUDIT REPORT FOR CYANIDE TRANSPORTATION OPERATIONS

Instructions

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

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

5. The submittal must be accompanied by 1) a letter from the owner or authorized representative which grants the ICMI permission to post the Summary Audit Report and Corrective Action Plan, if necessary, on the Code Website, and 2) a completed Auditor Credentials Form. The lead auditor's signature on the Auditor Credentials Form must be certified by notarization or equivalent.
6. Action will not be taken on certification based on the Summary Audit Report until the application form for a Code signatory and the required fees are received by ICMI from the applicable cyanide transportation company.
7. The description of the cyanide transport company should include sufficient information to describe the scope and complexity of its operation.

SUMMARY AUDIT REPORT

Name of Cyanide Transportation Facility: Transportes Niquini Ltda

Name of Facility Owner: Transportes Niquini Ltda

Name of Facility Operator: Transportes Niquini Ltda

Name of Responsible Manager: Dario de Souza Niquini

Address: BR381, Km 4,8 – Jardim Piemont - Betim

State/Province: Minas Gerais Country: Brazil

Telephone: (55) 31 3539-9400
diretoria@niquini.com.br

Fax: (55) 31 3539-9418

E-Mail:

Aspects of the location and description of the operation:

Niquini Transportes is located in Betim city, which is about 30 Km from Belo Horizonte, the capital of Minas Gerais state, Brazil.

Niquini has its own installation's, where there are offices, a parking place, installations for washing and lubricating trucks, and tire maintenance services.

Niquini has its own fleet, with 16 trucks, trademark Volvo, Mercedes Benz and Scania, which are specific for cyanide transportation.

Niquini neither handles cyanide containers, nor stores containers in its installations. Cyanide shipment in Niquini's truck's is performed by the teams that work at the ports and by the employees of the final customers in their own companies.

SUMMARY AUDIT REPORT

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.

Audit Company: IGS – Integrar Gestao e Serviços Ltda

Audit Team Leader: Julio Cesar Monteiro, E-mail: jmaq@ig.com.br
Technical Expert Auditor in Transportation : Julio Cesar Macêdo Monteiro

Names and Signatures of Other Auditors:

Eberson Cassio de Andrade E-mail: eberson@integrarg.com.br

Date(s) of Audit: 11-12 June, 2013

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

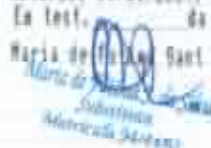
I attest that this Summary Audit Report accurately describes the findings of the verification audit. I further attest that the verification audit was conducted in a professional manner in accordance with the International Cyanide Management Code Verification Protocol for Cyanide Transportation Operations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



Lead Auditor Signature

CARTÓRIO 10º OFÍCIO DE NITERÓI
RUA DAVIÃO PEREIRA Nº 146 - LOJA - GARAI - NITERÓI - RJ - TEL. (21) 3016-0118

Recontecou por SEMELHANÇA a firma de: JULIO CESAR MACEDO MONTEIRO,
Niterói, 15/06/2014. Valor: R\$9,70 031140 0NY6276Z
Em test. da Verdade. Conf. por
Marta de Jesus Sant Ana da Silva-Substituta-Net.:



Substituta
Marta de Jesus Sant Ana

EBERSON CASSIO DE ANDRADE
TRUIM



SUMMARY AUDIT REPORT

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

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

The operation is in full compliance with
 in substantial compliance with Transport Practice 1.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Niquini has the procedure PNO-09 Route Planning (version June 04, 2013) for service design which includes in section 4 the evaluation and selection of the route which consists of an inspection trip performed by the leaders of the Operations, the Technical, and the EHS Departments. A series of items of the procedure have been modified showing the improvements that have been made. Niquini is aware of the risks presented when driving nearby communities (possibility of accidents) and the possible impact on the environment, that's why those items are taken in consideration when selecting the appropriate route. Other information for the preparation of travel routes also include: water bodies in general overall condition of the highway, curves and winding passages, clinics, hospitals and other medical facilities, stations and stops supplies, infrastructure support in case emergency along the highway, bridges and overpasses, pitch and grades, mountains, community, including population density, railways, ports, airstrips and helipads/heliports, prevalence and proximity of water bodies and fog. Risk reassessment of the route will be accomplished through information on the conditions of the route held by drivers and will be recorded in the book of DDS (Security Dialogue Daily). The procedure PNO-09 – Route Planning Rev 03, item 4 mentions that reassessment of the risks of the routes will be accomplished through information on the conditions of the routes taken by drivers and recorded in the Book of DDS. The Evaluation Book of DDS – Daily Dialogue on Security – has comments from drivers on the conditions of the routes towards reviewing the route schedules. Evaluated and reviewed route schedules establish the route from the Port of Santos in S. Paulo to Mine Operation in Vila Bela da Santissima Trindade-MT. The Company SUATRANS COTEC, specialized in emergency response preparedness for the transportation of dangerous goods is responsible for contacting communities and government agencies. It was checked in interviews with patrol officers on the route from Santos to Vila Bela da Santissima Trindade. There has been evaluated an Interview with the Community – Place: Abadia de Goiás-GO, Brazil. Niquini uses SUATRANS COTEC services for managing crises, and there are evidences (Procedures SOS-256/SOS-0259) indicating it has established contact with communities potentially affected by incidents related to the transportation of cyanide, or governmental agencies along the route. There was verified a Services Agreement no. 07.02.1439 on 5/Mar/2013 between enterprises and Niquini SUATRANS COTEC.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

The document PNRH 01 – Procedure for Recruitment Selection – Rev.05 of June, 2013 mentions that drivers must possess a specific driver's license from the National Transit Code whose category allows permission for carrying dangerous goods (Category E), and should be trained on the risks associated with cyanide and its controls. There were verified records of driver training on the risks associated with cyanide and its controls. There were checked various Training List addressing issues relating to risks related to sodium cyanide and its controls. The Instructor was Mr. Nilton Antonio Ferreira - Certificate ICMI - Workshop on Implementing and Auditing the International Cyanide Management Code - S. Paulo-Brazil April 27, 2011 and Training Certificate by Proquigel - Candeias Mar 8, 2012. There is a Qualification Plan which includes handling of hazardous products, emergency procedures, preliminary risk analysis, and others. There are Evidences of Drivers' qualifications related to the hazardous chemical products, including sodium cyanide. There is a document at Niquini called "Positions Description" which defines the qualifications required for the drives to manage cyanide transportation trucks. A sampling of drivers who transport cyanide was performed and they were all in compliance. This item is considered performed. Niquini does not outsource cyanide transporters and does not handle cyanide. All vehicles used for the transport of Sodium Cyanide are property of Niquini Transportes and the products handling is made by the Operation in Santos Port or in the Producer in Proquigel. When it arrives at the destination, all ground Operations are done by the Customer (Operations Mines).

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

The operation is X in full compliance with
in substantial compliance with Transport Practice 1.3
not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Niquini carrying only solid cyanide (briquettes). There was observed that the transportation of cyanide is carried out in vehicles designed for the loads being carried. All have maximum transport capacity of 40 t, as verified in the DUT (Single Document Transit) recognized by Government Agency (DENATRAN) of vehicles and the document issued by INMETRO - CIPP (Certified Inspection for Dangerous Goods), which is the official document to transport hazardous products in the Country. DUT found: no. 010418520442-2013; checked in CIPP: 0,544.720 and 0,970.644. In the Driver's Manual, which defines the load capacity must be checked before the start of the journey, the prescribed limit is 27 ton maximum load. Checklists in the load capacity were verified. Dates of Travel - checklists dated of May/14/2013, May/13/2013. The implemented, documented and maintained PNO 16 Procedure Checklist Rev.05 dated of 5/24/2012. Item 4 states that "inspection must be performed prior to loading the truck and before shipping". Verified evidence of achievement of these inspections: E.g.: Date of Travel checklists of - May/14/2013; May/13/2013.

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

The operation is X in full compliance with
in substantial compliance with Transport Practice 1.4
not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Niquini only carries cyanide in solid state (briquettes) and vehicles with containers closed and sealed. The products handling is made by the Operation in Santos Port or in the Producer in Proquigel. When it arrives at the destination, all ground Operations are done by the Customer (Operations Mines). Safety signs have been originally affixed to the container. Niquini only has to add signage in front of vehicles with descriptions 66 (Highly Toxic) and 1689 (UN International Code that defines cyanide). The Driver's Manual item 4.4 defines the time limits for the transportation of Sodium Cyanide for the following conditions: traffic on the highways, lunch, rest hours and minimum time standard for small distances. The Brazilian Standard – ABNT NBR 15994 – also provides for land transportation minimum requirements for waiting places for Drivers and loading and unloading of cargo. The transporters safety programs include vehicle inspections, preventive maintenance, procedures to prevent loads from shifting, procedures by which transportation can be modified or suspended, and a drug abuse prevention program. There was verified that the records are controlled and available, including SASSMAQ system which ensures control and retention of all documents generated by the system, setting the controls needed for identification, storage, protection, retrieval, retention and disposition of records.

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

The operation is in full compliance with
 in substantial compliance with Transport Practice 1.5
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Not applicable, because Niquini does not transport by sea or air.

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

The operation is in full compliance with
 in substantial compliance with Transport Practice 1.6
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

There is an Auto-Trac System (Satellite Tracking and Message System) in every truck. It is established in Niquini Management System, in "Driver's Guide", item 4.8, that each cyanide transport equipment must be equipped with this tracking and communications system. There was verified that the document PNO - 09 Procedure Route Planning, Item 4 has established the satellite monitoring system. Held traceability System Auto Trac and followed the transportation: Vehicle - Nr 907 564, Plate - HFD 3155, Driver: Mr. José Edivaldo, Date - Jun 12, 2013, Origin – Santos Port-Santos, SP, Destination – Crixás, Goiás. In the case of the existence of areas where it may be impossible to communicate by satellite tracking system, there is the alternative driver electronics send message via typing in the actual

tracker is activated. Besides ensuring communications, Auto-Trac system also makes monitoring the loading progress of cyanide at a given point and time along the route. This monitoring can be done by a program installed that communicates over the Internet or by the Auto-Trac page by people responsible for the area of Corporate Communications. The document established by Brazilian legislation, CTRC – Awareness of Road Transport Cargo – aims to control and prevent the loss of cyanide during shipping the charge. The records indicating the amount of cyanide in transit are available during transport.

2. INTERIM STORAGE: *Design, construct and operate cyanide trans-shipping depots and interim storage sites to prevent releases and exposures.*

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

The operation is in full compliance with
 in substantial compliance with Transport Practice 2.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Niquini transport operations did not involve the use of temporary storage facilities. The containers are open only in the mine. Niquini only transports cyanide from the port to the customers.

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

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

The operation is in full compliance with
 in substantial compliance with Transport Practice 3.1
 not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The Niquini has documented, implemented and maintained a Plan for Emergency Situations in Transport Sodium Cyanide, Rev. 07 Mar 2013. The document Driver's Manual Rev. Mar 12, 2013 also has information on emergency responses. The Emergency Plan was developed exclusively for the transportation of sodium cyanide and its suitable routes for the safe transportation of the product. Actually, as described in Section 1 the scope of this audit was only for the ground transport operations performed by Niquini, therefore, interim storage does not apply. The emergency plan considers aspect of roads transport infrastructure. The drivers should always bring relevant information about the route during their trips to revisions and updates of the emergency plan.

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

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

Summarize the basis for this Finding/Deficiencies Identified:

There was verified evidence of qualification of Drivers on emergency response in accordance with the Annual Training Program and there was evidence of its achievement. The interviewed Driver Julio Cesar Lopes - CNH: 00434535504 Category: E. lid until Nov 10, 2013 demonstrated awareness of the resources needed for an emergency response. Evidence was available in item 2.5 that the Emergency Plan describes the responsibilities of drivers, custodians and stakeholders on external emergencies. Evidence was available in item 9 - "Equipment Available" that the Emergency Plan presents a list of all items that are part of the emergency kit in each vehicle, including the Personal Protective Equipment (PPE). There was verified the Annual Training Plan in 2013 and there was evidence of the training of Drivers on the proposed topics, including refresher training. Training records were checked and evaluated, including: dates, names and signatures of the participants. The transporter have procedures in place to inspect emergency response equipment.

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

The operation is X in full compliance with
in substantial compliance with Transport Practice 3.3
not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The implemented Procedure PNO - 05 - Rev. 03 dated of May/2013 – External Emergency Call Procedure, Item 5, establishes the responsibility of the recipient to notify the sender, or customer of the load (if applicable). The telephone numbers for external emergency are available on page 3 of the "Driver's Guide" and it was verified that they are up to date. The document PNST - 11 - Rev. 06 of September 2012 - Internal Procedure Emergency Service informs all Niquini employees of on actions to be taken in case of emergencies. The Procedure "PNO - 05 - Rev. Mar 03/2013 - External Emergency Call Procedure", Item 5, Paragraph 10, states that the revision of the contacts should be held annually. There was verified the records review procedure. The System Certificate in accordance with SASSMAQ establishes the frequency of reviews. There were verified the Minutes of the SASSMAQ Committee Meeting dated of May, 2013. Finding: Niquini complies with the elements of the Transport Practice 3.3 that are applicable to its operations.

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

The operation is X in full compliance with
in substantial compliance with Transport Practice 3.4

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The Emergency Plan for the Transport of Sodium Cyanide, in section 5, sets out the safety measures that should be adopted for sanitation (recovery and neutralization), decontamination of soils or other means of contamination. The Matrices Routines Emergency Actions contained in the plan include the necessary actions in cases of incidents. The item 2.2 of the Emergency Plan prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface waters. Finding: Niquini complies with the elements of the Transport Practice 3.4 that are applicable to its operations

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

The operation is X in full compliance with
in substantial compliance with Transport Practice 3.5
not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The procedure PNO-05 – Rev. 03 dated of May,2013 External Emergency Service - Item 5, Paragraph 10, which defines the frequency of reviews. There were checked records of revisions of Plans and Procedures. The System Certificate according to SASSMAQ establishes the frequency of reviews. There were verified the Minutes of SASSMAQ Committee Meeting dated of May, 2013. There was verified the participation of niquini in a simulation performed by its client company Anglo Gold Ashanti and the Kinross – RPM – in October 2010 and the results were satisfactory. Simulations performed: - Cyanide Leak - Oct. 2010 - Niquini and Kinross - RPM, - Cyanide Leak - Oct. 2010 - Niquini, Anglo Gold and Kinross - RPM; - Spill Cyanide in Water - October, 2011 - Niquini and Anglo Gold; - Cyanide Spill Chauffeured Victimized - September 2012 - Niquini and Anglo Gold. After the results of the simulation, Niquini along with the participants, has made the measurement of strengths and areas for improvement and analyzed the results with the purpose of updating and continuously improve its procedures and plans when necessary. There were verified analysis reports of the simulation, where there was evidence of Niquini's active participation. Finding: Niquini complies with the elements of the Transport Practice 3.5 that are applicable to its operations.