

# SUMMARY AUDIT REPORT

Name of Cyanide Transportation Facility: PT Trans Continent  
Name of Facility Owner: Mr Ismail Rasyid  
Name of Responsible Manager: Mr Ismail Rasyid  
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Location detail and description of operation:

## Overview

### PT Agincourt Resources Martabe (PTAR)

PTTC imports cyanide in the form of (ISO) tank containers from ORICA port of Brisbane; Cost Insurance and Freight (CIF) terms shipped via commercial vessel to Jakarta International Container Terminal (JICT) as an interim storage located at Tg Priok. Thereafter these containers are being transported by PTTC own drivers and vehicles to TANTO shipping terminal prior to sea transportation by assigned shipping line; TANTO to Port of Sibolga (PTTC own interim storage). Thereafter road transportation estimated 60km to PTAR in north Sumatra by PTTC own drivers and transportation.

Name of Facility: PTTC

Signature of Lead Auditor

& Technical Expert



Date  
2<sup>nd</sup> Jan 2018

# SUMMARY AUDIT REPORT

## *Auditor's Finding*

This operation is

- in full compliance
- in substantial compliance \*(see below)
- not in compliance

with the International Cyanide Management Code.

## **Scope of Verification Audit**

### **PT Agincourt Resources Martabe**

Transport from the Port of Brisbane to Jakarta International Container Terminal (JICT) is not included within the scope of this verification audit. Jakarta International Container Terminal (JICT) is being utilised as an interim storage located at Tg Priok. Thereafter these containers are being transported by PTTC own drivers and vehicles to TANTO shipping terminal prior to sea transportation by assigned shipping line; TANTO to Port of Sibolga(PTTC own interim storage). Thereafter road transportation estimated 60km to PTAR in north Sumatra by PTTC own drivers and transportation.

Audit Company: Danny Tan

Audit Team Leader and Technical Expert: Mr Danny Tan

E-mail: dannytan163@yahoo.com.sg

Names and Signatures of Other Auditors:

Date(s) of Audit: Audit Dates: 26 to 27 Aug 2017

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.

Name of Facility: PTTC

Signature of Lead Auditor

Date

2<sup>nd</sup> Jan 2018

& Technical Expert



# SUMMARY AUDIT REPORT

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

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

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

Land transportation supply chain from Jakarta International Container Terminal (JICT) to TANTO shipping terminal and from Port of Sibolga (PTTC own interim storage) to PTAR in north Sumatra

PTTC conducted a comprehensive route assessment for both cyanide transportation routes. Based on documented information and on site verification, selection of route were based on the minimizing the potential accidents and releases or the potential impacts of accidents with due consideration given for the following:

- a) traffic conditions,
- a) road conditions,
- b) environmental impacts
- c) community relations and reactions
- d) daily commuting habits

Based on the route selected, PTTC conducted a Route Risk Assessment covering

- a) Population Density
- b) Infrastructure construction and condition
- c) Pitch and grading
- d) Prevalence and proximity of water bodies and fog

PTTC implemented route risk assessment process and documented as follows:

- P233 - Cyanide Route Risk Assessment (Interim storage at Sibolga to PTAR)
- P316 - Cyanide Route Risk Assessment These procedures address the evaluation of risks in the selection of the cyanide transportation routes with appropriate risk management controls. A process on collecting feedback on route condition from the PTTC drivers were verified in accordance with implemented road transport procedure (P209).Community consultation from local police, port authorities and village chiefs; route to PTAR was conducted as part of the overall route assessment.

Local police escorts and own transporters played the critical roles as both external and internal responders in notifying respective medical facilities and communities' communications during an emergency or in the event of safety and security incidents.

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& Technical Expert



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This arrangement enhances the integrated response and alertness required which demonstrated during audit interviews.

PTTC do not subcontract any of the cyanide handling or transport.

Name of Facility: PTTC

Signature of Lead Auditor  
& Technical Expert



Date  
2<sup>nd</sup> Jan 2018

# SUMMARY AUDIT REPORT

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.

in full compliance with

The operation is  in substantial compliance with Transport Practice 1.2

not in compliance with

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

Land transportation supply chain from Jakarta International Container Terminal (JICT) to TANTO shipping terminal and from Port of Sibolga (PTTC own interim storage) to PTAR in north Sumatra

PTTC F102 HSEC Matrix (Training) outlines the required qualifications and internal training that for each employee. Documented copies of current licences, such as driving and forklift, are to be kept on file and records of internal training are reviewed. Refresher training is being implemented to ensure personnel are familiar with work requirements and emergency situations. Training records and appropriate materials were reviewed to ascertain the relevancy and applications. Interviews held with trainer and designated drivers are evident that drivers are trained in this aspect.

PTTC do not subcontract any of the cyanide handling or transport.

Name of Facility: PTTC

Signature of Lead Auditor

& Technical Expert



Date  
2<sup>nd</sup> Jan 2018

# SUMMARY AUDIT REPORT

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 1.3

not in compliance with

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

Land transportation supply chain from Jakarta International Container Terminal (JICT) to TANTO shipping terminal and from Port of Sibolga (PTTC own interim storage) to PTAR in north Sumatra

PTTC deploys appropriate equipment, which is designed and maintained to operate within the permitted loads of cyanide shipments.

P212 Vehicle Management Procedure addresses the following:

- Keep records of new and existing vehicles, such as maintenance schedule, log books, pre-start checklists, drivers handbook, update training programs as required;
- Ensure vehicle maintenance is kept up to date; and ensure vehicles are used to their rated capacity

Preventive maintenance schedule and scope of works in place and verified as part of operation's routine and preventive maintenance regime.

PTTC has procedures and processes (P008 – Standard Operating Procedure for dangerous goods handling and P224 – Securing a Load) in place to make comparison and verification of gross weight of imported cyanide with maximum permitted vehicle loads as recommended by vehicle manufacture's specifications with regards to payload capacity.

PTTC do not subcontract any of the cyanide handling or transport.

Name of Facility: PTTC

Signature of Lead Auditor

& Technical Expert



Date  
2<sup>nd</sup> Jan 2018

# SUMMARY AUDIT REPORT

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 1.4

not in compliance with

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

Land transportation supply chain from Jakarta International Container Terminal (JICT) to TANTO shipping terminal and from Port of Sibolga (PTTC own interim storage) to PTAR in north Sumatra

PTTC had developed and implemented the following overarching procedures to facilitate implementation of a safety program for transport of cyanide (Reviewed Mar 2017):

- P201 – HSEC Management System
- P203 – Cyanide Management Procedure
- P209 – Road Transport Procedure
- G400 – Transportation from Port Sibolga to PTAR

These procedures were implemented to ensure integrity of product within sealed containers from origin. The product is not unloaded while in transport until final destination PTAR. Cyanide shipments are identifiable by Dangerous Goods (DG) placards required for cyanide transportation including Marine Pollutant placards.

Prior to cyanide transports, PTTC has implemented a vehicle inspection prior to each departure. The preventive maintenance program was checked for trucks and chassis. Maintenance schedule for these equipment are verified with documented records including vehicles change due to fair wear and tear.

The following are verified with established Road Transport Procedure:

- Rotating shifts for drivers
- Transportation can be modified depending on external conditions such as weather or community unrest
- Prevention of loads from shifting during transportation
- Alcohol test are being conducted on a random check basis

Implemented safety programs were established for the safe transportation commensurate with local operating conditions. Overall, verified documented records and on site assessment demonstrated respective compliance.

PTTC do not subcontract any of the cyanide handling or transport.

Name of Facility: PTTC

Signature of Lead Auditor

Date  
2<sup>nd</sup> Jan 2018

& Technical Expert



# SUMMARY AUDIT REPORT

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

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

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

Sea Transportation (TANTO shipping terminal to Port of Sibolga)

PTTC subcontracts TANTO commercial vessel for sea transportation from TANTO shipping terminal to Port of Sibolga. Due diligence investigation for TANTO was conducted on 22 Jul 2017 and it was conclusive that TANTO had in place appropriate measures for safe sea transportation of cyanide. Due diligence review was conducted to verify compliance with the prevailing IMDG code. At the point of audit, the following were verified for compliance:

- TANTO has the applicable IMDG Code requirements available and staff interviewed on site was able to verify compliance of DG shipments with the applicable IMDG Code requirements.
- Packaged as required by Part 4 of the IMDG Code and according to the packaging instructions and packaging provisions indicated on the DG List. Based on representative shipments samples compliance was demonstrated.
- Not applicable for Section 5.2.1 and 5.2.2 of the IMDG code as cyanide is being shipped in form of intermediate bulk containers (IBCs) stored inside GP containers
- Cyanide shipments were sampled with documents and appropriate records to verify that shipments are identified with required placard and marked as required by Chapter 5.3 of the IMDG Code
- Sampled dangerous goods transport document verified with records demonstrated compliance with requirements under Chapter 5.4 of the IM DG Code.
- Not applicable for Section 5.4.2 of the DG code as the cyanide is packaged by producer as well as for outbound empty tank containers.
- Vessel carrying the cyanide containers had a manifest identifying the presence of the cyanide. Based on the manifest the container location can be checked with the detailed stowage plan. Both documents complement and conform to Section 5.4.3.1 of the DG Code.
- Vessel carrying the cyanide containers was found to have an Emergency Response Plan in place.

Overall, TANTO was found to be in compliance with the stowage and separation requirements of Part 7 of the IMDG Code concerning cyanide shipments. PTTC does not transport cyanide by air transportation.

Name of Facility: PTTC

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Date

2<sup>nd</sup> Jan 2018

& Technical Expert





# SUMMARY AUDIT REPORT

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 1.6

not in compliance with

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

**(Due to the sensitivity of security issues regarding storage of cyanide, no descriptions of substantial or non-compliance with this aspect of the Transport Practice should be provided.)**

Land transportation supply chain from Jakarta International Container Terminal (JICT) to TANTO shipping terminal and from Port of Sibolga (PTTC own interim storage) to PTAR in north Sumatra

PTTC had implemented four overarching procedures to facilitate tracking of cyanide shipments to prevent losses during transportation:

- P201 – HSEC Management System
- P202 – Cargo Tracking Procedure
- P203 – Cyanide Management Procedure
- P209 – Road Transport Procedure

These implemented procedures mandated transport vehicles (convoy and escort vehicle) to have in place mobile phones to enable two-way communications with operations room. This integrated system helps to mitigate the risk of communication blackouts and feedback system to review the chain of custody of cyanide shipments and ongoing risk assessment. This includes periodically testing of communication equipment is in proper working conditions spelt out in P209.

Blackout area are being identified and in accordance with P209 procedures are implemented to address in handling during periods of blackouts along the supply chain..

Shipments inventory controls are in place to prevent loss of cyanide shipments during land transportation as verified with cargo management records. There are no transfers of shipments during the entire of land transportation.

On site route assessment and interviews with branch manager, yard manager, transport manager and escort leader were held. Along with respective delivery orders and accompanying MSDS verified with shipments records; are indicative that system is in place to ensure tracking of cyanide shipments and loss prevention. PTAR provided tracking of cyanide activity reports sampled with PTTC vehicle B9696SEH on 18 Sep 2017 for a distance of 195km from Port of Sibolga (interim storage) to PTAR.

PTTC do not subcontract any of the cyanide handling or transport.

Name of Facility: PTTC

Signature of Lead Auditor

Date  
2<sup>nd</sup> Jan 2018

& Technical Expert



# SUMMARY AUDIT REPORT

## **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.

in full compliance with

The operation is  in substantial compliance with Transport Practice 2.1

not in compliance with

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

### Jakarta International Container Terminal (JICT) - interim storage

Due diligence investigations for JICT was conducted on 4 Dec 2017 and reviewed as follows:

Interim/trans-shipment storage is situated within JICT Port that serves as depot for laden inbound shipments prior to land transportation of cyanide. Security is being ensured with security post managed by outsourced security services as observed during on site visit. Visitors' access control is in place and monitored for entrance to JICT including areas designated for cyanide storage.

Review of interim/trans-shipment storage conducted with the following observations:

- warning signs are visible around the yard indicative of the presence of toxic material such as dangerous goods and cyanide.
- within the interim storage, indicative segregation and separation of the dangerous goods and dedicated cyanide storage.
- at the actual designated area there are placards indicating the exact area in which the cyanide is stored.

At the entrance gates into the yard the following signs were clearly displayed; No Smoking and Eating. Stringent Personal Protection Equipment (PPE) requirements are enforced in the yard indicated by signs at the entrance:

- Helmet
- Safety Shoes
- Chemical Glasses
- Overall/PPE clothing

Dedicated in security officers are stationed at the yard for access controls and movement of containers which ensures that no planned and accidental access by general public.

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## Port of Sibolga (interim storage owned by PTTC) to PTAR.

Interim/trans-shipment storage is situated within Port Sibolga which serves as depot for laden inbound shipments prior to land transportation of cyanide. Security is being ensured with security post managed by outsourced security services as observed during on site visit. Visitors' access control is in place and monitored for entrance to Sibolga yard including areas designated for cyanide storage.

Site review of interim/trans-shipment storage conducted with the following observations:

- warning signs are visible around the yard indicative of the presence of toxic material and cyanide.
- within the interim storage, indicative segregation and separation of the dangerous goods and dedicated cyanide storage.
- at the actual storage area there are placards indicating the exact area in which the cyanide is stored. In addition to the placard there is also the SDS reflected in both English and Bahasa Indonesia.

At the entrance gates into the yard the following signs were clearly displayed; No Smoking and Eating

Stringent Personal Protection Equipment (PPE) requirements are enforced in the yard indicated by signs at the entrance:

- Helmet
- Safety Shoes
- Chemical Glasses
- Overall/PPE clothing

Dedicated in house security officers are stationed at the yard for access controls and movement of containers. This augments well for the prevention of planned and accidental access by general public.

Name of Facility: PTTC

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# SUMMARY AUDIT REPORT

## **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.

in full compliance with

The operation is  in substantial compliance with Transport Practice 3.1

not in compliance with

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

Land transportation supply chain from Jakarta International Container Terminal (JICT) to TANTO shipping terminal and from Port of Sibolga (PTTC own interim storage) to PTAR in north Sumatra

PTTC had implemented procedure (P235 – Cyanide Emergency Response Plan) in place for emergency response plans (ERP) for potential cyanide releases to address both ERP for interim storage and land transportation.

Management of the following identified incidents leading to potential cyanide release derived were from risk assessment:

- Chemical Spillage at Interim Storage
- Chemical Spillage during land transportation
- Vehicle accidents
- Loading and unloading accidents
- Fire at interim storage

Respective classifications of incidents correspond with incident response structure taking into account the physical and chemical form of cyanide during accidental release.

Requirements of transport infrastructure are considered as part of the overall ERP:

- Recovery vehicle
- Evacuation zones
- Communications with external responders
- Respective roles and integrated response with local communities, medical facilities, local authorities, fire departments and Port authorities
- Design of trailers and interim storage areas to minimize the risks

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 3.2

not in compliance with

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

Land transportation supply chain from Jakarta International Container Terminal (JICT) to TANTO shipping terminal and from Port of Sibolga (PTTC own interim storage) to PTAR in north Sumatra

PTTC implemented procedure (P235 – Cyanide Emergency Response Plan) was reviewed to examine the ERP training as part of the DG Awareness Training conducted for personnel involved in port, yard and transportation operations covering the following:

- Specific roles and responsibilities during activation of ERP
- Media liaisons
- Loading/unloading, yard and transportation designated emergency response equipment
- Personal Protective Equipment (PPE)

This includes specific cyanide emergency response duties and responsibilities assigns to its personnel and outside responders during response to emergency incidents such as leakage

- To carry out initial action to contain the leakage
- To alert branch manager
- To minimize the risk to people and environment

PTTC keeps emergency response equipment during transportation in Emergency Response Vehicle along with accompanied list of equipment such as full-face respirator, gas detector and spill kits. Maintenance regime was established to ensure the assurance on the functionality of the emergency response equipment. Records are maintained for this regime along with the list emergency response required for ERP for transportation operations.

PTTC F102 HSEC Matrix (Training) spelt out the qualifications and internal training that is required for each employee. Refresher training is being implemented to ensure personnel are familiar with work requirements and emergency situations. PTTC provides refresher training in emergency response procedures for cyanide handling personnel on a six monthly schedule.

Training records (Emergency and Critical Response Training for Cyanide and Other Hazards) and appropriate materials were reviewed to ascertain the relevancy and applications.

Name of Facility: PTTC

Signature of Lead Auditor

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& Technical Expert



# SUMMARY AUDIT REPORT

Interviews during on site impromptu ERP exercise held with trainer and designated emergency responders including PTAR staff demonstrated required competencies.

PTTC do not subcontract any of the cyanide handling or transport.

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 3.3

not in compliance with

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

Land transportation supply chain from Jakarta International Container Terminal (JICT) to TANTO shipping terminal and from Port of Sibolga (PTTC own interim storage) to PTAR in north Sumatra

PTTC had in place procedures (P235) and contact information for respective notification of emergencies in the event of emergencies that occur during transportation. Implemented ERP procedure covers both internal and external emergency notification and reporting as part of the incident response structure. This is being reviewed during tool-box meeting prior to land transportation. Contact lists are currently updated during these meetings.

Records are maintained with the list emergency response contacts required for ERP for yard and transportation operations. On site interviews held with respective personnel verified that the implemented ERP and associated contact lists.

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 3.4

not in compliance with

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

Land transportation supply chain from Jakarta International Container Terminal (JICT) to TANTO shipping terminal and from Port of Sibolga (PTTC own interim storage) to PTAR in north Sumatra

PTTC ERP procedures (P235) outline the spill contingency plan in the event of accidental spillage; dictates the agreement with mine site to respond. P235 also outline procedures for remediation, such as recovery or neutralization of solutions or solids and decontamination of soils or other contaminated media.

P235 addresses the prohibition on the use of chemicals such as sodium hypochlorite, ferrous sulphate and hydrogen peroxide to treat cyanide that has been released into surface waters.

Interviews held with incident response team members on the implementation and understanding of Emergency Response Plan for transport of hazardous chemicals. Interviewed staff is able to describe the responsibilities and appropriate actions required when an emergency occurred during transportation.

Name of Facility: PTTC

Signature of Lead Auditor

& Technical Expert



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# SUMMARY AUDIT REPORT

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

in full compliance with

The operation is  in substantial compliance with Transport Practice 3.5

not in compliance with

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

Land transportation supply chain from Jakarta International Container Terminal (JICT) to TANTO shipping terminal and from Port of Sibolga (PTTC own interim storage) to PTAR in north Sumatra

PTTC implemented ERP procedure covers periodic review for the suitability, adequacy and effectiveness of the ERPs. This is being also being reviewed during pre-loading meeting with port operator and tool-box meeting prior to land transportation. Contact lists are currently updated during these meetings.

Mock drill with integrated response between PTTC and PTAR on 25 Mar 2017. Key lessons learnt were captured and reflected in post exercise report. Mock drills schedule is being drawn up for year to include the scenarios of land transportation with respective external responders.

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