

**SUMMARY AUDIT REPORT
TBSS SUPPLY CHAIN INCLUDES TRUCKING COMPANY
THAT ARE NOT INDIVIDUALLY CERTIFIED
MAC GYVER TRANSPORTES**



**ICMI Cyanide Code Transportation
TBSS SUPPLY CHAIN INCLUDES TRUCKING COMPANY THAT
ARE NOT INDIVIDUALLY CERTIFIED
MAC GYVER TRANSPORTES**

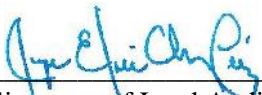
San Pedro Sula, Cortés – Honduras

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



Geosoluciones Panamá, S.A.
Avenida Héctor Santacoloma-Verdún
Santiago, Panamá

TEXAS BUNKERING SUPPLY & SERVICES
Name of Facility


Signature of Lead Auditor

August 13-14th, 2019
Dates

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A- GENERAL SUMMARY

A.1 Information of the Audited Operation

Name of Cyanide Transportation Facility: Texas Bunkering Supply & Services
Name of Facility Owner: Alejandra Prudoth
Name of Facility Operator: Texas Bunkering Supply & Services
Name of Responsible Manager: Keren Acosta
Address: 16 Calle, 11 Avenida, barrio Buenos Aires, Puerto Cortés, Republic of Honduras
State/Province: Cortés Country: Honduras.
Telephone +504-3143-8958 Fax: N/A E-Mail: kerenacostatbss@hotmail.com

**(DUE DILIGENCE INVESTIGATIONS OF THE “MAC GYVER TRANSPORTES”
INVOLVED IN A CERTIFIED SUPPLY CHAIN)**

Location detail and description of operation:

“MAC GYVER TRANSPORTES” (MCG), with an address in "Puerto Cortés, Barrio Suyapa, calle 8, entre 12 y 13 avenida”, phone: (504) 2630-4824", was selected by TBSS from among several companies because of its satisfactory standards in terms of its facilities, transport logistics, legality (compliance) and staff training. It was also taken into consideration that MCG maintains a business attitude of continuous improvement, strictly complying with the indications of the TBSS as a signatory company certified by the ICMI.

As part of the Texas Bunkering Supply and Services supply chain, MCG has provided transportation between Port of Cortes to “Minerales de Occidente” since February 2019.

MCG has established inspection programs for their trailers and chassis units. Their weight-bearing capacity and drag through is submitted to a visual inspection performed by a Competent person. Similarly, the Government of Honduras issues an authorization to move on the country's roads, in which the equipment is subject to inspection.

MacGyver Transportes (MCG) was founded in the city of Puerto Cortés on November 20, 2015. It has been renowned as a Ground Transportation Service in and out of Honduras for more than 3 years. It commits to provide a reliable service performed in a professional manner and to meet the deadlines agreed upon with the certified company while maintaining three fundamental elements:

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1. Vision

To provide services efficiently and reliably, considering the sense of urgency and responsibility.

Provide complete control to our customers over their cargo through real-time updates in each step of the way.

2. Mission

To be recognized for providing a high-quality service, having qualified personnel and highlighting the values that characterize us as a Company. Leading us to increase the value of the Company every five years.

3. Values

- Responsibility
- Quality
- Transparency
- Punctuality
- Commitment
- Innovation

All the ship-side operations (discharge) at the Port of Cortes are performed by “Empresa Nacional Portuaria”. It is responsible of transferring the containers to **MCG** vehicles in order to deliver them to the mine in Copan department, located at 269 Km from Puerto Cortés.

MCG has equipment in optimal conditions for the transportation of cyanide such as:

- Ten (10) trailers available for the transport of cyanide.
- Twelve (12) of 20’ chassis for transportation of containers, six (6) of which are expandable.

The facilities have the following characteristics:

- Main Office with Administrative and Operations personnel. In the offices, the GPS tracking procedure of the transport process is carried out.
- Workshop to provide preventive maintenance to all equipment
- Site with perimeter fence of 3 meters high, in the front. Rear and side limit surrounded by dense mangrove vegetation in the swamp area.

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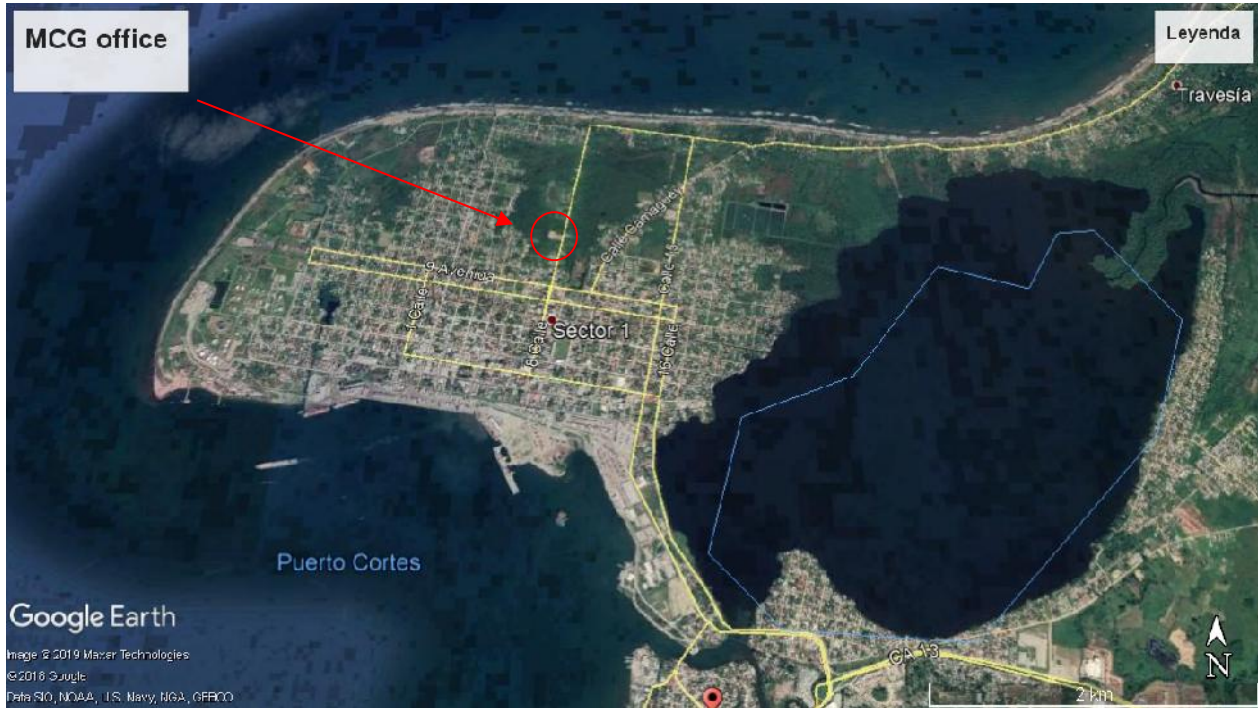
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- There is a land area of 6,000 m² to store the containers for a period of less than 24 hours.
- 24-hour surveillance with specialized personnel and perimeter cameras that cover the entire area of the warehouse.

This audit will cover the ground transportation operations taking into account all relevant standards and instructions provided by relevant authorities for releasing the cyanide containers from the container terminal until their arrival to the mine.

The main transportation route from the Port of Cortes to San Andres mine has an approximate distance of 269 km. It was modified from 03:00 a.m. to 6:00 p.m. to make the transport process safer due to the intense traffic that originates in the vicinity of Puerto Cortés between 06:00 a.m. and 09:00 a.m.

Up to 6 containers may be transported on each convoy, more than that, must be organized in another convoy which may be transported alternately with different escort and supervision.

Between 6:00 a.m. and at 07:00 a.m., the drivers make a rest stop.

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A.2 Overall Auditor's Finding

This operation is

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

with the International Cyanide Management Code.

Audit Company: Geosoluciones Panamá, S.A.

Audit Team Leader: Jorge Efrén Chong Pérez

Email: geosoluciones@cwpanama.net


Dates of Audit: August 13-14th, 2019

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.

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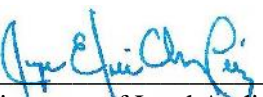

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B- TBSS ROLE AS CYANIDE TRANSPORTATION

- 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:

Mac Gyver Transportes (MCG) has implemented a route evaluation procedure, updated on August 18, 2017. On January of 2019, a revision was made to incorporate further MGC's responsibilities according to the instructions of Texas Bunkering Supply and Services (TBSS) which includes a route risk assessment. The assessment includes three route sections with independent features that are highlighted on the Honduras trip report maps. This is all part of the transportation procedure. Without exception and at all times TBSS personnel accompany the convoy with the charge of cyanide towards the mine.

The route evaluation procedure, in section 5.1 of the Transportation Procedure, underwent modifications by including one-way bridges and registering the ten (10) school zones, in which the convoy must maintain speed in 20 km / h.

As indicated in the Transportation Procedure, section 5.1, MCG always takes into consideration the physical condition of the bridges within the transport route, whether bridges on the route are straight or curved, as well as the environmentally sensitive areas.

The transportation process also considers other conditions such as earthquakes, overflowing rivers along the route, bridges collapsing. Social disruption (archive roads or bridges for people in strikes on the route or in the mine. The manager of MCG Mr. Rommel Andrade is in permanent contact with the Association of Transporters of the sector, composed of 60 companies

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in real time in order to be aware of any manifestation or social conflict in the transport route that could put the cargo at risk and staff or communities.

The assessment of the route between the Port of Cortes and San Andres Mine takes into consideration *three aspects* of the road in order to prevent potential accidents and spills:

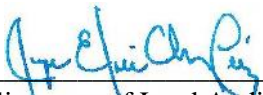
Port Facility (Port of Cortes): Heavy traffic and high pedestrians' density (workers), water bodies around the port area, the bay and Alvarado Lagoon "Laguna de Alvarado" at Port of Cortés.

From the Port of Cortes to San Pedro Sula (SPS): 66 Km of concrete road .There is heavy traffic and high population density to cross Port of Cortes, San Pedro Sula and Choloma on Highway CA-5 during rush hours due to the industrial zones such as clothing factories ("maquilas") alongside the road from Rio Nance, Choloma to San Pedro Sula. The convoy will take the second peripheral ring to cross the city of SPS because the population density is lower, transiting at 30km/h or less around populated areas. From Port of Cortes to San Pedro Sula the road is flat. (Total of bridges in curves: 1). In the month of August 2019, the Honduras government, initiated repairs on this stretch of road.

Detouring west to SPS and then to "La Union Copan" CA-4 Highway 178 Km: Asphalt road. Heavy traffic and high population density to cross "La Entrada Copan", Santa Rosa and Cucuyagua, passing through environmentally sensitive regions such as agricultural and livestock areas, and rivers near the road. During rainy season all the areas from Naco to Chiquila become misty zones. The road has a variety of closed and opened curves, with slopes and grades of 10 and 15 degrees after the town of Chiquila, before arriving at Santa Rosa de Copan and after Santa Rosa de Copan and driving down to Cucuyagua. (Four curved bridges).

The route from La Union Copan to ADR gate in MINOSA, 18 Km: (Dirt road). The cities within this route have low population density and traffic. There is risk when the convoy encounters heavy equipment driving on opposite direction of the road because some sections of the road are a bit narrow. A speed of no more than 25 km/h is a primordial factor in risk control. The convoy needs to pass sensitive regions such as agricultural and livestock areas and parts of the road have opened and closed curves, slopes and grades before arriving San Andrés and the Mine, which can be risky during the rainy season. (Total of bridges in curves: 4.)

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GENERAL CONDITION OF THE ROUTE: The route evaluated for cyanide transport from the Port of Cortes to San Andres Mine (MINOSA) facilities, is implemented by Mac Gyver Transportes (MCG) units, and this company is required to assign drivers qualified and trained in defensive driving and risk of cyanide as it is indicated by the International Cyanide Management Code.

The route evaluated from the Port of Cortes to Santa Rosa de Copan is the only way to access MINOSA with signs along the route. The road is periodically maintained due to some problems with the concrete or asphalt layers, the only unpaved section of 18 Km to reach Mina is permanently maintained by MINOSA, which contributes to the safety of convoys.

It may also indicate that along the route there are security checkpoints and highway patrol to ensure traffic flow on the road.

Transportation Procedure to evaluate the risks of the selected cyanide transport has not changed. In the 2018 audit, it remains the same as in August 2019 according to an interview during the audit. However, the condition and degree of risk in CA-4 from San Pedro Sula to the deviation of the Copan union in Cucuyagua had variations due to construction works carried out between Km 115 and 153.

MCG has implemented on its Transportation Procedure Section 5.7: CONDITION AND DEGREE OF RISK OF THE MOST CRITICAL POINTS OF THE ROUTE. This section shows the likelihood of incidents occurring during the transit of the different pavement types and conditions such as nearby water sources and population centers.

Risks that may arise in the route are evaluated on every transport process and registered in a RISK REPORT.

The drivers Favio García and Marlon Zelaya, both with valid and current licenses to drive heavy equipment, were interviewed regarding the measures they take in the face of risks presented by the route and that include the chain of communication established in case of incidents. Both respondents are aware that they must document any observations they identify on the road and report it immediately to their supervisor and the convoy leader.

Texas Bunkering Supply Services is responsible for maintaining, before every trip, updated information on the physical and safety conditions of the roads, asphalt and dirt roads where the cyanide unit containers will travel. The physical conditions need to be reported to MCG.

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MCG implement to keeps records of the assessments made before and after every trip; this information provides instructions to drivers. After every trip, the trip report provides valuable information and describes the different risk scenarios founded. From the documented observations, it has been incorporated some measures to take into account, for example, update the schools that have been built in the vicinity of the route.

In all the trip reports of the transportation processes, TBSS consolidates the information jointly with MCG, to identify the conditions of the road to the mine so that during the following process, special precaution measures are taken if needed.

MCG implement and document the measures taken to address risks in the selected route, following the TBSS Transportation Procedure, which consists of 29 pages. Since its initial version on January 3, 2014, it has been updated on March 13, 2015, May 4, 2016, and the current version is August 18, 2017. In January 2019, a review was carried out to incorporate the responsibilities of MCG.

Before the cargo leaves Port of Cortes, it is inspected by the MCG drivers and documented, in order to verify any substandard conditions. If any deficiency is identified, it is repaired under the supervision of the hazardous materials personnel of the port and in the presence of the driver. It is then documented in the form.

Upon arrival at the MCG container yard as soon as it leaves the port, the cargo is subjected to a second documented inspection that includes detailed review of the upper part of the container in order to identify any dent, mechanical condition of the chassis; It is also verified if they have holes or fissures and added to the above, it must indicate that the cyanide gas test is done.

In all travel reports, the risk observations identified by the drivers and the safety leader are consolidated, to then make the necessary modifications to the procedures, including the possible emergency scenarios.

TBSS interacting with MCG maintains constant communication with emergency response agencies such as the Permanent Commission for Contingencies (COPECO) and the Red Cross, with whom has conducted briefings and received feedback about the risks of transporting sodium cyanide.

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All the drivers of MCG transport vehicles are affiliated to the “Asociación de Transportistas de Cortes Honduras (ATCH)”, among which there is communication exchange regarding the

selection of routes and risk analysis. Additionally, there is close communication between the Convoy Leader and the security staff of MINOSA, in which they interact to know the opinions of the community.

TBSS, MCG, and the Puerto Cortes firefighters held a meeting, in which some concepts were updated regarding the ICMI and the development of control measures along the route.

MCG escort vehicle used were observed under acceptable operating conditions. During the transportation process, these vehicles carry tools and fundamental parts. A mechanic is present for tire changes during the journey.

TBSS maintains communication with Honduras Red Cross and several emergency centers along the route. Every piece of information is shared from TBSS to the MCG carrier through frequent meetings. These are held before the transportation process. It is taken into consideration that TBSS always accompanies the convoy with cyanide. TBSS also maintains ongoing communication with the mine (MINOSA), which would offer support in case of an emergency. Letters have been delivered to hospitals and external emergency centers in order to update existing information.

“MAC GYVER TRANSPORTES (MCG)”, does not subcontract any cyanide handling or transporting company.

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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:

TBSS designed an annual training program for drivers, administrative personnel and supervisors, which was implemented by MCG in 2019. The training carried out at the beginning of February 2019 was reviewed.

Each MCG driver has a valid driver's license and in accordance with Honduras regulations for trailer drivers.

All freight transport drivers must be affiliated with the "Instituto Hondureño de Transporte" This supersedes the previous requirement of being affiliated to the "Cámara de Transporte de Honduras". They must comply with equipment inspection and documentation for which a certificate is issued.

All personnel handling cyanide and operating the transport equipment have been trained to perform their jobs in a safe manner. Keren Acosta is the manager responsible for certifying the drivers to be trained for cyanide transportation. This including hazardous material handling and defensive driving.

A list of training programs, as well as records of assistants to the training for the years 2019, was shown. A drill activity, was carried out on November 28, 2019.

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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:

MCG has developed a maintenance program that is implemented in the company's own workshop. The work of the employees was evaluated as they spare parts deposit. A staff member is in charge of monitoring maintenance compliance. This worker is also responsible for providing GPS monitoring during the transportation process.

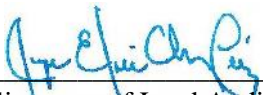
During the audit, three (3) of the six (6) trucks that had arrived from the last transport job to the mine were inspected. They were in satisfactory conditions: tires, lights, brakes, horns, and other safety elements were in acceptable conditions. Brake bands were in good conditions, which was corroborated on an interview with the maintenance manager and drivers.

Periodical inspections are conducted by MCG with the support of TBSS before each departure. The truck driver will verify the following:

- Tire pressure, condition and screws
- Lights
- Back up alarm
- Safety belt condition
- Lights
- House keeping
- At least ¾ tank fuel
- Chock blocks
- Engine oil level.
- Hydraulic fluid level.
- Fuel level.
- Cooling fluid level.
- Check the brake system.
- State and belt tension.

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- Operation of lights and electrical components.
- Radio communication system and / or cellphone with ongoing radio check
- Fire extinguisher

Samples of inspections MacGyver's truck were reviewed.

As per requirement of TBSS (certified company), all transport units maintain historical records of preventive maintenance. No equipment is dispatched for transport if the visual inspection of the driver together with the acceptance of the mechanic head has not been given.

MCG, as agreed with TBSS, implements a procedure for container cyanide delivery to MINOSA mine "*Procedimiento para entrega de Contenedores con Cianuro a MINOSA*". This procedure verifies all the documentation required for the container's extraction from Customs (cargo customs declaration, commercial invoices and guides). This documentation 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.

Upon request from the mine, each MCG truck that enters with cyanide cargo must be weighed before and after the unloading process in the presence of the driver of each truck. This process is documented in all travel reports and collated with the cargo manifest. TBSS keeps this documentation for its records.

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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 convoy travel reports records for 2019 were verified, evidencing that the procedure that ensures the integrity of the cargo during transport is effective. Since the initial audit, there has been no incident involving the packaging. The exit stamps of the port agree with those of arrival at the mine. TBSS continues to keep a record of all these procedures.

Drivers should ensure that each container number matches the one indicated in the documentation issued by the customs agency.

To avoid the load to move during transportation, each container should be ensured with wooden boards. Upon arrival at the mine, before unloading, the load is subjected to weighing, to corroborate the amounts of cyanide entered.

In the 2019 audit the images recorded in the travel reports of the transportation process show that MCG implement the use of placards to identify the cyanide shipments. Placing placards is part of the previous inspection of transport and Traffic Law requirement, Chapter IV and Article 40 of the Republic of Honduras for vehicles engaged in the transportation of hazardous substances and materials. The Honduras Traffic Law remain without modifications.

In an interview with two drivers, it was confirmed that inspections are carried out before each transport process. Additionally, during short stops for rest, the drivers carry out checks on the condition of the vehicles. If any incongruence is found, it is repaired immediately.

Inspection records are part of the travel report.

MCG has implemented a mandatory maintenance program under its safety program and as agreed with TBSS. Each vehicle has a file in which the programming of preventive maintenance is indicated, and the work carried out is recorded.

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During the audit, Rommel Andrade, MCG manager, was interviewed as well as Keren Acosta, TBSS operations manager, who maintain the commitment to provide preventive maintenance to all units. MCG assigns exclusive vehicles for cyanide transport and ensures that the same drivers always carry out the process, keeping other drivers in rotation so that they are familiar with the practices or changes during transport.

MCG implement a driving policy and fatigue control which states that all drivers must rest at least 8 hours before transporting the cargo and will drive no more than eight hours per day All drivers live near the port area, in the city of Port of Cortes, which helps keeping them in a better alert when driving.

Drivers will need to follow the commercial invoices instruction by loading 20 boxes per container and not less than that.

Drivers must not make sharp angle at high speed because the centrifugal force may cause the load to shift and make the container fall off.

Trucks should not incline in gutters while driving with the containers because that may unbalance the load and make the containers fall off.

MCG implemented the TBSS agreement with MINOSA Mine to contact the relevant authorities and COPECO (Permanent Committee of Contingencies) prior to transportation in order to get information about the weather, any adverse operations as civil commotion or any other measures that may affect the integrity of drivers, cargo or equipment. The manager of MCG, Mr. Rommel Andrade is in real-time contact with the Association of Transporters of the sector. This allows MCG to be aware of any manifestation or social conflict in the transport route that could put at risk the cargo and staff or communities.

In case an adverse situation is taken place the transportation will be suspended or modified.

In January 2019, MCG developed its "No Smoking, Alcohol, and Drug Control Policy," which was updated on June 12, 2019. Each employee must sign this commitment, which also prohibits smoking in the company's facilities and vehicles.

Before the transportation process, alcohol tests are conducted on all vehicle drivers, which are documented in the travel report of each convoy.

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The tests to detect drugs are carried out in cases of pre-admission, post-accident and for reasonable doubt.

On section 7.1 of the Transportation Procedure, MCG complies with the terms agreed with TBSS regarding record keeping and personnel training files and documents, which are part of the report protocol for each trip.

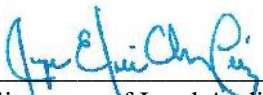
During the review of the documentation by TBSS and MCG managers, it was verified that there are eleven (11) convoy travel reports in compliance with the established procedure, which are to be kept for a period of three (3) years.

The documentation is the following:

- a) Final report of every convoy journey.
- b) Unit and chassis pre-trip inspection sheet.
- c) Bill of lading
- d) Emergency kit check list
- e) Containers delivery (to the mine) control sheet.
- f) Copy of the commercial invoice indicating the number of containers delivered to the mine and accurate net weight of product in each container.

“MAC GYVER TRANSPORTES (MCG)”, does not subcontract any cyanide handling or transport company.

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Transport Practice 1.5:

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

This operation is

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

Summarize the basis for this Finding/Deficiencies Identified:

The scope of this audit is only for ground transportation operations performed by TBSS-MCG from Port to client's site.

“MAC GYVER TRANSPORTES (MCG)”, does not transport by air.

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:

During the 2019 MCG audit, the procedure for evaluation of communications is maintained, Each vehicle that integrates the convoy carries a phone and a radio transmitter/receiver for communication between drivers, including escorts.

The emergency system in Honduras has a unique emergency number. TBSS safety leader, MCG supervisors, and all of the drivers have the list of phone numbers. This list is available for each transport vehicle.

The Communication Evaluation procedure remains the same during the 2019 MCG audit: “Procedimiento evaluación de Comunicaciones” requires that the radios and GPS system be

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tested within 48 hours during transport. Weekly checks of the radios are also required and prior to transportation. The GPS system is continuously verified by a competent person. This is a standard of operation of MCG monitoring in all its transport processes. Similarly, during the trip from Port of Cortes to San Andres Mine, drivers, escort personnel and supervisors remain in constant communication with the base in Port of Cortes and the Mine.

According to the route assessment, during the 2019 audit, there are no blackout areas in the route. TBSS has identified two mobile service providers: Tigo and Claro. Communication is maintained permanently through both of these services.

MCG provide GPS tracking to all cyanide shipments and keep records to track the progress of the shipments. In the offices, there is a screen with visual access to all occupants, in which the position of each of the transport units is shown.

TBSS transportation procedure “Procedimiento para el Transporte de Contenedores de Cianuro” requires MCG to provide GPS tracking to all cyanide shipments and keep records to track the progress of the shipments.

The GPS records are included in the revised convoy travel reports for 2019.

MCG implements a cyanide delivering procedure to MINOSA which remains the same during the 2019 audit: after the containers have been delivered by ship to transportation units, the drivers must check the containers are closed and have the original seals without any signs of violations.

As soon as the containers have been discharged from the ship, the TBSS convoy’s Safety Leader must inform Minosa Mine via Internet the number of containers received and physical conditions in which they were received. If any of them is damaged, it will be reported to the Shipping Agency operator and Customs to file the damage report prior to leaving port premises.

For safety reasons during the entire convoy journey, beginning at The Port of Cortes facilities until its arrival to MINOSA, all containers will be supervised by the Safety leader of Texas Bunkering Supply and Services and escorted for two escort vehicles, which transport emergency response and neutralization equipment, as well as extra tools and tires with maintenance personnel. The leader must be in constant communication via Internet with MINOSA staff, reporting the convoy’s location, weather conditions and vehicle traffic density of the area.

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At the moment of delivery of the containers, mine authorized employees, sign the sheet receipt of containers thus giving the Vo. Bo. Having received under, the number of containers specified in the documentation provided by the Customs Agency, documentation must be submitted by each driver.

The fulfillment of chain of custody of cyanide loads was verified in convoy trip reports for 2019. It was verified that in the trip reports the security seals are registered in the MCG facilities at the exit of the port and at the entrance to the mine.

In the 2019 audit, MCG implement a shipping recordkeeping requirement and trip report that include the product name, amount of cyanide, code number of the Union Nations (UN), and Material Safety Data Sheets requested on Transportation Procedure section 6.12.

Additionally, they give each driver on each trip a acknowledge of bill of lading, together with the MSDS of cyanide. This document describes the steps to take in case of spills and people exposure as necessary handling precautions.

All TBSS travel reports made by MCG indicate the amounts of cyanide transported. After arriving at the mine, they are weighted to corroborate them.

The MSDS supplied by the cyanide manufacturer Cyanco was updated on January 25, 2016, which includes the use of Hydroxocobalamin as an antidote for cyanide poisoning. This product is stored according to the manufacturer's instructions.

“MAC GYVER TRANSPORTES (MCG)”, does not subcontract any cyanide handling or transport company.

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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:

As per port facility requirement, as soon as the cargo arrives must be moved immediately. If the load comes at night is carried to MCG facility, located 3.5 Km from Port of Cortés. The cyanide containers remain parked for no more than twenty-four hours. The operations do not involve interim storage.

MCG facilities have front fencing, video cameras that allow supervising the entire installation, side and rear barrier of swamps and security personnel 24 hours a day. Cyanide-loaded vehicles are parked at a specific site specially assigned to them.

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

Transport Practice 3.1:

Prepared detailed emergency response plans for potential cyanide releases.

This operation is

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

Summarize the basis for this Finding/Deficiencies Identified:

TBSS Emergency Plan was updated in January of 2019, in which the following modifications were made:

- 1- Cyanco MSDS sheet remains valid until the MCG audit date.
- 2- Page 30 to 31 telephone numbers were updated.
- 3- Updated emergency kit list, page-38
- 4- Annex in point 14.21 of Page-41,
- 5- Annex in point 26.5 of page-58

The Emergency Response Plan section 2.1 to 2.6 has considered the proper way to respond to incidents of maximum probability scenarios:

- J Failure of a maneuver during unloading a truck in the mine, spilling the product on the site, it may result in a cyanide accident 1 ton of product.
- J Failure of a port maneuver during unloading of containers from a ship, to the receiving transport units, spilling the product on the port site, it may result in an accident cyanide 2 tons or more.
- J Catastrophic failure resulting in the cyanide boxes collapse while the truck is in motion, spreading an undetermined distance cyanide container; it may result in a cyanide accident with of 5 tons or more.

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- J Traffic accident involving falling container on the road from transporter platform without spilling cyanide, it may result in a cyanide accident involving a container without spilling for 20 tons of cyanide.

- J Drop a container within a watercourse; it may result in an accident with cyanide 20 tons and eventually the appearance of hydrogen cyanide gas.

- J Vehicle fire, chassis and container exposing the cyanide.

The updated version of January 2019 of TBSS Emergency Response Plan Section 5.1 provides the physical properties of cyanide and product description, and Section 6.0 MSDS is included which includes chemical properties, the properties of the packing, so it can be transported and stored.

MCG has implemented the Emergency Response Plan the method of transport for all emergency scenarios developed for ground transportation. The incidents that occur outside of mining facilities or other industries including port facilities are under the jurisdiction of public authorities; however, it is company policy to make effort to support public emergency services in order to reduce injury, damage, environmental pollution and adverse publicity, jointly with MINOSA.

The aspects of transport infrastructure are addressed in section 8.1 has been established considered risk parameters such as bridges and road conditions.

For each trip report, photographic documentation is made of the sections of the road that could represent risks. This information is used in pre-trip trainings.

TBSS transport vehicles that are certified for transporting, considers the use of certificates chassis. Not allowed dragging two containers by a same vehicle.

All the chassis used to transport cyanide are of the retractable type, in order to give greater protection to the containers in the rear part of the vehicle.

MAC GYVER TRANSPORTES implements an emergency Response Plan. Section 13 of this plan has established the description of actions to respond to emergencies, which serves as a reference model. The responsible parties and the communication sequence are considered.

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Section 14. considers scenarios incident without injury, mechanical problems, overturning the vehicle in rainy and dry environment without tipping spill, fire truck collision with injuries and no injuries. In ordinal 14.1 aspects of remediation of soil contaminated with cyanide and handling of material contaminated with cyanide have been added.

Section 13 of the Emergency Response Plan has identified the roles of firefighters, health centers, and the Red Cross who respond to emergencies. Additionally, Minerales de Occidente, S.A. (MINOSA) is committed towards TBSS, to provide emergency response during transportation if needed. In the 2019 audit, the Emergency Plan includes the Police as another additional institution to respond to emergencies.

A meeting was held with the Puerto Cortes Firefighters, including the leaders in which opinions were exchanged on experiences and how to act in emergencies.

TBSS maintains communication with firefighters, COPECO (Permanent Contingency Commission), Transporters Association, and transit police about its activities in the transport of cyanide. This includes product information, toxicological characteristics, and MSDS.

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

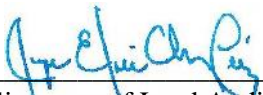
Summarize the basis for this Finding/Deficiencies Identified:

TBSS has established in Section 26.2 of the Emergency Response Plan that should provide training to personnel involved in the transport of cyanide in aspects:

- a) The properties of cyanide
- b) Personal safety
- c) Safe handling

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- d) Safe transport of sodium cyanide
- e) Fire near sodium cyanide
- f) Medical Emergencies
- g) Environmental Emergencies

Training plan and MCG records for 2019 were reviewed.

For November 2019, a simulation has been scheduled. Prior to it, personnel are being trained in the risks in different scenarios, as well as forming brigades by drivers, mechanics and convoy supervisors.

Inviting Firefighters to this drill is being considered.

From Section 11.1 on page 32 of the Emergency Response Plan, through Section 11.12 on page 34, details of assignments and responsibilities are established. Responsibilities and assignments remain valid in 2019 audit. The only changes were the people who make up the Emergency Response personnel, since Investments and Land Transportation (“Inversiones y Transportes Terrestres – ITT”) no longer provides transportation services to TBSS.

On the emergency response plan indicates checklist of the equipment a convoy must have which includes oxygen, personal protective equipment, signaling elements, spill cleanup equipment and neutralization. This includes antidote as indicated in the MSDS, valid and stored according to the manufacturer's recommendations.

In the 2019 MCG audit, it was verified the functionality of the emergency response equipment, which is carried in the TBSS escort vehicle during the transportation process.

The emergency response, health, and safety equipment are carried by the TBSS convoy safety escort. In the 2019 audit, the emergency response safety equipment was reviewed and found to be compliant according to the checklist in the escort vehicles themselves, and those that work with energy, such as flashlight, alcohol test and a cyanide gas monitoring instrument.

In section 26.4 corresponding to Training and drills on emergencies it indicates that: "the characteristics of the cyanide are unique and do not suffer modifications in the time, but the training must be repeated once a year, including the personnel of the transporting company and escorts; and at each convoy departure there is talk box training, which is documented in the travel reports ".

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MCG has been providing transport services to TBSS for seven months. Although periodic refresher courses are held every year, TBSS constantly tries before each transportation process to verify that the response teams and personnel are in a suitable condition for the transportation process.

In Section 12. on page 38, TBSS has established an inventory of response equipment upon emergencies, in order to be available when required.

Before each transport process, it is verified that the emergency response teams are available, the verification records of this machinery are part of the trip report. The emergency equipment review is carried out jointly by the TBSS Safety Leader and the MCG travel supervisor.

“MAC GYVER TRANSPORTES (MCG)” does not subcontract any cyanide handling or transport company.

Contractually, TBSS agreed with MCG to comply with the Cyanide Code in the transportation process.

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/Deficiencies Identified:

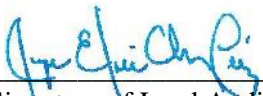
MCG has implemented a sketched procedure in Section 9.1 which consists of the Safety Leader, the emergency health center, MINOSA, CYANCO and authorities.

Throughout the transportation process, TBSS / MCG maintains constant communication with the Mine (MINOSA) to notify the position and status of the convoy, including any incidents, at all times.

The management of activities in the incident scene is described in section 11.1 and outlined in section 9.2

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Phone numbers to contact for emergencies are established in Section 9.3.

During the 2019 audit, it was verified that the emergency notification flow has not changed except that by incorporating a new carrier (MCG), numbers have been modified internally.

TBSS established and maintained in section 9.3 that emergency contacts should be updated every four months and let the respective records in the sheet updates. This requirement remains in force during the 2019 audit. Additionally, telephone numbers are verified before each convoy departure. They must be up to date before each transport process.

The government of Honduras created a unique number for emergencies (911). In the 2019 audit, this number remains the same.

Transport Practice 3.4:

Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

This operation is

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

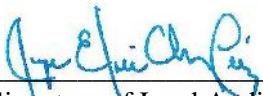
Summarize the basis for this Finding/Deficiencies Identified:

The initial response actions would be performed by members of the TBSS and MCG convoy. The incident attention sequence considers secure the site, assist people requiring help; make contacts with MINOSA, CYANCO, police, firefighters, Red Cross and COPECO.

The Emergency Plan, version of January of 2019 in relation to remediation or neutralization added in section 14.21 that will alkalize the area where there was the dry spell and adding calcium hypochlorite, removing contaminated soil up to 4 " deep, alkalizing the area again where the earth was removed, and then clean soil will be placed, the contaminated soil will be placed in plastic bags and then transferred to the leaching areas of the mine.

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Since the last initial certification audit in 2014 to date, there has been no incident of spillage or intoxication.

The Emergency Response Plan, section 18. Ordinal 24 prohibit the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water. This prohibition remains in the TBSS documentation and MCG implementation during the 2019 audit.

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/Deficiencies Identified:

The version of the Emergency Plan of January 2019 section 27 is still valid and specifies the modifications made to the Plan.

Since the first certification audit in 2014, TBSS participated in two emergency drills.

August 16, 2015:

The scenario consisted of dry cyanide spillage due to the collision of the transport vehicle.

1. Performance in the placement of personal protective equipment was verified.
2. Actions for drivers involved in the collision.
3. Neutralization of cyanide

The simulation observations considered a supposed means of communication entering the risk area without personal protective equipment and measures to prevent unauthorized personnel.


September 22, 2017

The scenario consisted of spillage of cyanide from the breakage of a box, by the vehicular collision.

1. Initial training was given about responsibilities during the drill.

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2. Water canalization was carried out to avoid contact with the spilled substance.
3. People injured in the accident were treated.

In November 28, 2019, was carry out the first drill between TBSS and the company “MAC GYVER TRANSPORTS (MCG).” Consequently, training and periodic talks are being intensified to familiarize the staff with the different possible scenarios indicated in the Emergency Response Plan.

Section 26.5 of the Emergency Plan, version January of 2019, extends drills objectives including training, drivers’ actions during incidents as well considerations to measure the effectiveness.

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