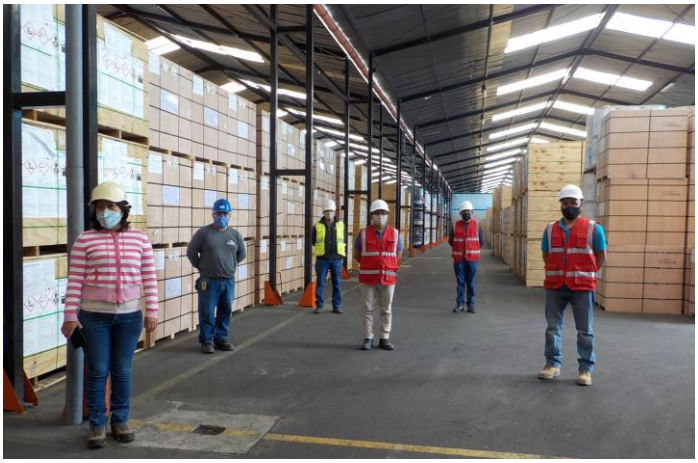
PRODUCTION SUMMARY AUDIT REPORT

Submitted to:
International Cyanide Management Institute (ICMI)
1400 I Street, NW – Suite 550
Washington, DC 20005, USA
+1-202-495-4020

Cyanide Production Operations
(Warehouse)
Address Antigua Panamericana Sur km 29.5
Lurín, Lima, Perú



Submitted by:

Geosoluciones Panamá, S.A.
Jorge Efrén Chong Pérez, Lead & Technical Auditor
Avenida Héctor Santacoloma, 23 - Verdún
Santiago de Veraguas, Republic of Panama
+507-6737-8282

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A- Information of the audited operation

Name of Cyanide Transportation Facility: ALMACENERA PACÍFICO, S.A.C.
Name of Facility Owner: ALMACENERA PACÍFICO, S.A.C.
Name of Facility Operator: ALMACENERA PACÍFICO, S.A.C.
Name of Responsible Manager: Enrique Lau Siu
Address: Carretera Antigua Panamericana Sur km 29.5
State/Province/Country: Lima/ Peru
Telephone: +51 297-7023 + Fax: ---
E-mail: elau@alpa.com.pe

B- Operation Location Detail and Description:

The ICMI's Auditor Guidance for Use of the Cyanide Production Verification Protocol, published June 2021, was used as a reference in evaluating compliance measures for Production Practices.

Almacenera Pacifico, S.A.C. (hereinafter ALPA), was created in 2006, to provide logistics services to mining companies. It specializes in the storage of hazardous materials.

ALPA stores Mercantil's cyanide until a client puts in an order. Then, Mercantil hires an ICMI certified transporter to carry the Cyanide to the mining unit.

Subsequently, as required by the market, ALPA expanded services to companies in various fields, which meant considerably increasing storage capacity. ALPA currently has 94,447.13 m^2 of storage space in Lurín, Peru.

ALPA stores cyanide in Lurín, in storage units # 7 to # 23, which cover an area of 2,204 m^2. The cyanide is presented in wooden boxes of 1 ton, 1.1 ton, and metal cylinders of 50 kg.

Additionally, ALPA carries out the transfer process in a warehouse with a surface area of 900 m^2. The cyanide is transferred to 17-ton ISO tanks.

ALPA is no longer engaged in direct aspects of the cyanide supply chain, only dry cyanide storage and transfer, in an indoor area at the Lurín facilities. For this reason, the scope of the recertification audit only considers the production protocol.

C- Auditor´s Finding

This operation is

- ✓ in full compliance with the International Cyanide Management Code.

"This operation has not experienced any compliance issues or significant cyanide incidents during the previous three-year audit cycle."

Auditor Information

Audit Company: Geosoluciones Panamá, S.A.
Lead Auditor: Jorge Efrén Chong Pérez
Lead Auditor Email: geosoluciones@cwpanama.net

Auditor 1: **Jorge Efrén Chong Pérez, Lead Auditor** _____
Name Signature

Dates of Audit: October 21-22th, 2021

Auditor Attestation

I attest that I meet the criteria for knowledge, experience and conflict of interest for a Cyanide Code Certification Audit Lead Auditor, 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 Certification Auditors.

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

Almacenera Pacífico, S.A.C__		January 20th, 2021
Name of Operation	Signature of Lead Auditor	Date of submittal
Almacenera Pacífico, S.A.C.___		January 20th, 2022
Name of Facility	Signature of Lead Auditor	Date of submittal

Principles and Standards of Practice

Principle 1 | OPERATIONS

Design, construct and operate cyanide production facilities to prevent release of cyanide.

Production Practice 1.1

Design and construct cyanide production facilities consistent with sound, accepted engineering practices and quality control/quality assurance procedures.

The operation is ✔ in full compliance with / ☐ in substantial compliance with / ☐ not in compliance with Standard of Practice 1.1

Summarize the basis for this Finding/Deficiencies Identified:

ALPA maintains records of structural calculations, structural evaluations, warehouse quality dossier, as well as designs of the transfer area. This information is kept in management archives.

The installation is inspected every two years for safety conditions in electrical, sanitary, and structural aspects by the Municipality of Lurín in compliance with the provisions of the Supreme Decree No. 002-2018-PCM, for establishments classified as high to very high risk, according to the risk matrix. This certification guarantees a maximum capacity of 530 people.

The technical inspection certificate is valid until July 10, 2022.

The floors and walls of the building are made of concrete and provide impervious barriers to possible leaks. Surfaces are level to provide stability for the lifting equipment.

The information on the design, construction and QA / QC of the cyanide and transfer facilities was approved in February 2013, and the operation maintains design and inspection records.

The improvements in the roof due to corrosion were completed prior to the end of the first quarter of 2022, as planned.

ALPA warehouse operations handle cyanide in closed containers. Unprocessed cyanide is transferred to ISO 17-ton capacity tanks, indoors.

Containers are opened for repackaging and cyanide is transferred from boxes to ISO tanks. The transfer is carried out dry without water, and without the intervention of electrical energy.

The operation does not wash iso-tanks or other equipment within the facility. The entire operation is dry.

According to the inspection, the rolling surface of the equipment is concrete and without cracks.

Before the ISO tanks were used for the first time, ALPA carried out filling tests so that there would be no cyanide spills due to overfilling.

Each ISO tank has a capacity of 25.95 m^3 cubic meters in volume. And it is filled with 16 big bags of cyanide of 1.1 ton = 17.6 ton; which represents a volume of 11 m^3.

From the initial experience it has been verified that the filling percentage of an ISO tank does not exceed 42% of the tank's capacity, providing a safety factor against spills of 2.4.

The concrete ALPA warehouse floor and metal walls serve as sufficient secondary containment for the solid cyanide stored containers and cylindrical containers.

Cyanide case and cylinder removal operations are carried out without rain, considering that rain is scarce in the area where the warehouse is located.

The floors inside and outside the warehouse are level. For the mobilization of the containers, ALPA has designed and implemented ramps to supply solid cyanide to the trucks with stability and appropriate capacity for maneuvering.

Cyanide solutions are not handled in pipes.

Cyanide is stored in a building that is covered with a metal roof and has closed walls to avoid contact with precipitation.

There are showers for emergencies and an eyewash station outside the storage sites.

There is adequate ventilation around the entire perimeter of the cyanide warehouse. The windows are covered by microfiber.

ALPA has facilities with strict access controls for the public and its workers and implements procedure PR-OP-15 Revision: 6 “Control of Entrances and Exits,” for both pedestrians and vehicles. The facilities have 4-meter high walls, with security cameras and 24/7 custody.

According to the auditor’s inspection, incompatible substances like acids, strong oxidants like chlorine, or explosives were not found on site.

The cyanide is stored in a warehouse identified from Door # 7 to Door # 23, which comprises 2,204 m^2.

The closed warehouse where the dry transfer is carried out has a roofed area of 900 m^2.

Production Practice 1.2

Develop and implement plans and procedures to operate cyanide production facilities in a manner that prevents accidental releases.

The operation is ✔ in full compliance with Standard of Practice 1.2

☐ in substantial compliance with

☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

ALPA developed and implements procedure PR-OP-08, "Storage and Dispatch of Sodium Cyanide," which contains the characteristics of the warehouse in terms of construction specifications, and compatibility criteria with other chemical substances.

Procedure PR-OP-08 addresses the cyanide loading and unloading process, ensuring that the personnel have the required personal protective equipment, and that antidotes and emergency kits are available.

Regarding the loading and unloading of cyanide, the warehouse supervisor cannot load or unload other materials or substances alongside sodium cyanide.

Before loading/unloading the units in the warehouse, the warehouse supervisor is responsible for the final visual inspection of each of the forklifts or telehandlers that transport the sodium cyanide to the premises for storage. The warehouse supervisor will also ensure that the workers have the necessary Personal Protection Equipment (PPE) and are in the correct condition for the operation.

At the end of the loading, the sealing of the containers/closed van is verified.

The procedure also includes a summary of what to do in the event of a spill, fire, poisoning, and/or contamination.

ALPA has adhered to ISO-9001, ISO-14001, and ISO-45001.

During the audit, Freddy Paredes (warehouse supervisor) was interviewed about the cargo handling procedure and the compliance that is implemented regarding the monitoring of hydrocyanic gas. Mr. Paredes explained that the monitoring instruments must be calibrated and carried at all times whenever it is planned to enter an area where boxes or cyanide containers are stored or handled.

ALPA has a general Emergency Plan PL-SIG-01, for the entire facility. In section 10.3 the actions to be taken in case of cyanide emergencies are addressed, starting from the identification of the symptoms of cyanide intoxication and the actions to be taken in these cases. Actions in the event of fires and spills are also addressed.

ALPA also has and implements the Emergency Plan for Cyanide PL-OP-01 approved on November 20, 2020. The Plan contains the organization and responsibilities, risk assessment, the notification, and communications system, and the concept of response by levels in the event of emergencies.

The emergency procedures address the types of incidents in different scenarios, action guides for warehouse members, and the decision tree in the event of a cyanide spill in route. In section 8, aspects related to training and drills are addressed. Section 9 considers the criteria for making modifications to the Emergency Response Plan. It also contains 6 annexes with emergency telephone numbers, training and drill schedules, an evacuation plan, the composition of the brigades, and action and first aid diagrams.

ALPA has implemented the Change Management procedure PR-SG-23 to identify the changes made and ensure that they are properly disclosed to all the involved parts and implemented safely.

The operations procedure in IN-OP-03 that describes the necessary and specific steps to decontaminate the equipment that has been in contact with cyanide, prior to its maintenance, has been changed. Sections 2.1 and 2.2 describe the steps for dry decontamination and also through Sodium Hypochlorite solution.

The procedure PR-OP-10, Revision 06, section 2.2 "Cyanide Transfer" has also been changed, indicating the actions that need to be taken during alarm levels used in HCN monitoring.

ALPA has a preventive maintenance program for the telehandler, compressor, and truck access ramps, and keeps maintenance records in the archives.

In the ALPA warehouse, pressure tests are carried out for the ISO tank using pressure gauges. According to the manufacturer, these pressure gauges do not require calibration.

ALPA uses two pressure gauges simultaneously for greater reliability: a digital one and an analog one. Both are only used for one year and replaced with new ones.

Hydrocyanic gas detectors are used to monitor cyanide in cargo removal/entry processes, such as transfer to ISO tanks and pressure tests. These detectors have valid calibration certificates.

ALPA currently has three BW Technologies (Honeywell) brand hydrocyanic gas detection instruments.

ALPA does not handle cyanide solutions.

The ALPA Emergency Plan in its procedure PL-OP-01 indicates the procedures for the handling of spilled product and packaging, according to the response levels directly related to the amounts of cyanide. In the case of spilled product, it is returned to the ISO tank.

All ALPA cyanide boxes and containers comply with the applicable safety labels and signage on health and environmental risks. Safety labels and signage in Spanish are also included.

During the inspection procedure of the loading and unloading of product, ALPA ensures that the labeling and packaging are visible and intact when it is sent to customers.

Production Practice 1.3

Inspect cyanide production facilities to ensure their integrity and prevent accidental releases.

The operation is

✔ in full compliance with

☐ in substantial compliance with Standard of Practice 1.3

☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

ALPA does not handle cyanide in solution. ALPA follows the FO-SIG-19 inspection procedure. The auditor reviewed 6 examples of inspection records of the transfer area.

The storage area for cyanide boxes and containers was found to be acceptably neat and clean, as was the storage area for empty boxes., as was the storage area for empty boxes.

The 17-ton capacity ISO tanks undergo a hermeticity test, following the PR-OP-31 ISO tank Pressurization procedure, to guarantee that there are no cyanide leaks.

Based on inspection records and on-site auditor observations, a 30-day frequency for inspections is sufficient. Considering that, in addition, each time a cyanide loading or unloading process is carried out, the warehouse supervisor documents any deficiency.

ALPA documents the inspections performed on lifting equipment, cyanide storage areas in boxes and metal containers. The inspections indicate the date, the name of the inspector, and any deficiency observed.

Additionally, inspections of emergency equipment, such as antidote kit, hoses-fire fighting system, oxygen cylinders, and smoke detectors are included in the FO-SIG-16 form.

ALPA has implemented preventive maintenance in equipment, tools and infrastructure, for which corrective actions have not been necessary. In the case of the nonconformity found on the roof, the corrective measures have been taken, so that the aspects related to infrastructure are reinforced.

Principle 2 | WORKER SAFETY

Protect workers' health and safety from exposure to cyanide.

Production Practice 2.1

Develop and implement procedures to protect facility personnel from exposure to cyanide.

The operation is
- ✔ in full compliance with
- ☐ in substantial compliance with Standard of Practice 2.1
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

ALPA has developed the Cyanide Dispatch and Storage procedure PR-OP-08, which covers storage operations, transfer of solid cyanide to ISO tanks, and handling during loading for shipments.

When the bags are removed from the boxes, they are taken to a waste deposit. Then, the Bi-América company takes them to a sanitary landfill. In Lima, there is only one hazardous materials landfill in a place called HUAYCOLORO. It is located on the outskirts of Lima and operated by the PETRAMAS company.

Additionally, procedure PR-OP-08 addresses aspects of non-routine work such as carrying out tightness tests safely, emergency operations, and the Contingency Plan for Cyanide Management.

Inspections are carried out prior to maintenance work on lifting equipment and compressors, which are carried out by external specialist companies.

For all its operations, ALPA performs a Risk Analysis coordinated by Mr. Giancarlo Mota, including risk controls.

The operation has a procedure IN-OP-03 that describes the necessary and specific steps to decontaminate the equipment that has been in contact with cyanide, prior to its maintenance.

Sections 2.1 and 2.2 describe the steps for dry decontamination and also through Sodium Hypochlorite solution.

ALPA holds meetings with the safety committee and workers in which workers provide observations. Such observations are channeled by supervisor Enrique Cano, according to an interview with supervisor Julinho Ramos.

The auditor observed a suggestion box on-site accessible to workers.

ALPA has identified the loading, unloading, and transfer sites, as the sites in which there could be exposure to cyanide gas or dust. Continuous monitoring is carried out on these sites.

The instruction is maintained that all personnel entering the loading, unloading, and transfer areas must use the appropriate personal protective equipment.

The process of loading a truck takes approximately 30 minutes, unloading 40 minutes and the transfer of an ISO tank takes 1 hour and 30 minutes.

ALPA uses three monitoring devices to monitor hydrocyanic gas to confirm that controls are adequate to limit worker exposure to hydrogen cyanide gas and/or cyanide dust exceeding 10 parts per million (ppm) on an instantaneous basis or 4.7 parts per million continuously over an 8-hour period, as cyanide.

The procedure PR-OP-10, Revision 06, section 2.2 "Cyanide Transfer", indicates the actions that need to be taken during alarm levels used in HCN monitoring:

• Personnel must turn on the cyanide gas detector prior to operations and verify that it is set at 0.0 ppm in the place where the activities are to be carried out.

During operations, if the sensor alarm is activated, proceed as follows:

• When the alarm reaches 4.7 ppm: operations must be stopped, and the site workers should leave the area for a period of 10 minutes. After this time, the HCN concentration will be measured again and if it is found to be within normal values, the operations will continue.

• When the alarm reaches 10 ppm: the actions of the previous point will be repeated, but the space must be ventilated for a minimum time of 25 to 30 min.

• If the concentration is not lowered, ventilation will be left for periods of time of 15 to 20 min, until reaching a concentration of 0.0 ppm.

During the inspection of the warehouses, the use of one of the calibrated instruments was observed and in the cyanide loading and unloading reports.

Cyanide monitoring equipment is calibrated as recommended by the manufacturer. The auditor observed the three current calibration records. Calibration is performed every 6 months, per the manufacturer's instructions.

Calibration records made in December 2020; June 2021, December 2021, and June 2022 finding the hydrocyanic gas monitoring instruments valid at the time.

In ALPA's storage operation, the storekeeper maintains radio communication at all times during the loading and unloading operation and maintains visual contact with the drivers of the transport vehicles. Lifting equipment operators are provided with radios during maneuvers as well.

During the transfer, more than two people and a supervisor with a communication radio are involved and in compliance with the PR-OP-10 transfer procedure.

ALPA performs health tests for new staff and annually for external medical services. Moreover, ALPA has a clinic and health personnel within the facility.

Warehouse of the Pacific, S.A.C. In compliance with arts. 52.49 inc. g1.35 inc. c of Law 29783 on Safety and Health at Work and its amendment Law 30222; as well as its Regulation DS 005-2012-TR and its amendment DS 006-2014-TR, on risks in my work and job center, complies with the obligation and reasons for occupational medical examinations. Three records were reviewed in compliance with the verification of sight, pulmonary, and hearing functions of Daniel Lucas, Jesús Gutierrez and Freddy Paredes.

Personnel working in areas with potential contamination risk wear disposable protective clothing.

ALPA has in its facilities a dressing room for employees and a special enclosure for the placement of cyanide protective clothing.

This requirement was verified in the emergency response plan, in the transfer and cyanide storage procedures, as well as in the emergency stations.

The auditor noted the presence of adequate signage around the storage area, ISO tanks, and deposit area for waste boxes and empty cyanide bags.

The training provided to the workers, as well as the signs observed in the facility, show the prohibition of eating, smoking, drinking and open flames in areas with potential for contamination.

The auditor attended model training, similar to those offered to entry-level workers and on periodic dates.

Production Practice 2.2

Develop and implement plans and procedures for rapid and effective response to cyanide exposure.

The operation is ✔ in full compliance with
☐ in substantial compliance with Standard of Practice 2.2
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

ALPA has a Cyanide Emergency Response Plan which describes the actions to be followed in the event of inhalation of hydrocyanic gas or skin contact with liquid or gaseous cyanide.

It is also included in the General Emergency Plan and the PR-OP-08 Cyanide Storage Procedure.

The facility has a shower and portable eyewash station, which is moved according to the storage unit in use and following the criteria of ANSI Z358.1-2014.

Shower and eyewash stations records were inspected in compliance with the inspections of years 2019, 2020 and 2021.

The auditor performed a visual inspection and a test in the shower and portable washing station at the external part of the transfer area.

There are dry chemical powder extinguishers by each of the accesses to the storage units, protected and marked in red boxes.

The emergency care equipment locations are mapped in a document and are located at various locations throughout the facility.

Emergency equipment is inspected and documented in form FO-SIG-16.

ALPA has three oxygen cylinders, resuscitator and antidote (Cyanokit). Supervisory personnel, equipment operators, workers involved in the transfer process, and storekeepers have communication radios.

The auditor confirmed compliance with this provision by inspecting the facility and interviewing the health personnel and supervisors.

ALPA inspects their emergency equipment, including first aid equipment, regularly. The auditor reviewed the inspection records documented on the FO-SIG-16 form. The Cyanokit is stored at 25° C and has a valid date suitable for use.

Information from Safety Data Sheets is included in travel reports. This is an essential requirement by Peruvian Laws when a vehicle transports hazardous materials. Similarly, each container, including those made in Korea and China, have their safety instructions in Spanish.

On the outside of the facilities, there are signs of no smoking, NFPA diamond, forbidden to eat and drink, not open flame, UN-1689.

There are also signs indicating that the use of personal protective equipment is required and only authorized personnel are allowed.

The operation does not use storage tanks, process tanks, or pipes that contain cyanide.

All boxes and cylindrical containers in the cyanide warehouse are identified. The auditor found compliance with this measure in warehouses and ISO tanks.

The operation has three showers and multiple handwashing stations for employees who were in areas where cyanide was handled, including those added due to the pandemic.

The operation has a clinic and nurse on a regular shift from 8 am to 4 pm. Brigade members are responsible for first aid care for incidents outside of the nurse's shift.

The brigade has sufficient training for first aid care. Records of training in cyanide handling and a recent one in poison care provided by Dr. Karin Suyo on Sep 6, 2021, were verified.

According to the Occupational Law of Peru, a doctor must provide care 6 hours per week and is on call for remote assistance.

The Emergency Response Plan establishes the procedures for transporting people to local health centers, which are described in this Plan.

Coordination has been made with the local medical facilities and fire departments through letters informing them about the activities and risks of ALPA. The auditor reviewed the letters and copies of the emails sent.

ALPA has the written procedure for investigating Incidents and Accidents PR-SIG-09, which begins with the monitoring of the first response or second response, as the case may be; and the subsequent compilation of the information.

With the help of the collected evidence, the cause analysis is carried out. This will be done by the Occupational Health and Safety Committee, in the event of a fatal or dangerous accident. When it comes to dangerous incidents or moderate accidents, the cause analysis will be carried out by the HSEQ department. In both cases, the Ishikawa Diagram will be used. The data will be recorded in the format FO-SIG-18 Record of Work Accidents or the format FO-SIG-04 Record of Hazardous Incidents or Incidents, as appropriate.

According to the cause analysis, the Occupational Health and Safety Committee determines the corrective and/or preventive measures to be implemented. Responsible parties and tentative dates for their implementation are assigned to these measures. If they are NOT executed in the stipulated time, the immediate superior of those responsible will be notified to execute it. At this point, a report is made that stipulates the information that must be presented to General Management.

There have been no occupational accidents in the last 2 years. No significant cyanide accidents have occurred since ICMI granted initial certification.

Principle 3 | MONITORING

Ensure that process controls are protective of the environment.

Production Practice 3.1

Conduct environmental monitoring to confirm that planned or unplanned releases of cyanide do not result in adverse impacts.

The operation is
- ✔ in full compliance with
- ☐ in substantial compliance with Standard of Practice 3.1
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

ALPA does not discharge to surface waters. Therefore, this requirement does not apply. The ISO tanks are washed in the mining units to which the cyanide is transported and delivered.

The ALPA warehouse does not discharge to surface waters or drains that could be negatively affected by the operation.

The ALPA warehouse does not carry out indirect discharges into surface waters.

This provision does not apply to ALPA's storage facilities. The cyanide boxes are opened indoors and the transfer into the ISO tanks is dry.

This provision does not apply to ALPA's storage facilities. The cyanide boxes are opened indoors and the transfer into the ISO tanks is dry and done indoors.

ALPA monitors hydrogen cyanide gas and cyanide dust emission risks during the transfer process.

The auditor inspected the ALPA facility, in which the warehouse supervisor on duty carried a calibrated instrument at all times when entering the warehouse with closed boxes and cylinders.

Environmental monitoring reports carried out by suitable environmental and chemical professionals were reviewed, showing that the values of environmental air quality and operating limits comply with the requirements of the Peruvian standards.

(1) (D.S. N° 074-2001-PCM), Approve National Environmental Quality Standards for Air.

(2) (D.S. N° 003-2008-MINAM), Approve National Environmental Quality Standards for Air.

Hydrogen cyanide gas monitoring is constantly carried out while the personnel is loading or unloading cyanide, in transfer processes, and during periodic inspections.

Principle 4 | TRAINING

Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner.

Production Practice 4.1

Train employees to operate the facility in a manner that minimizes the potential for cyanide exposures and releases.

The operation is
- ✔ in full compliance with
- ☐ in substantial compliance with Standard of Practice 4.1
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

ALPA provides initial and periodic training (twice a year) to its workers. In 2019 and 2020 the training has been virtual, except for training sessions carried out in person on July 16, 2020, and July 22, 2021, which are recorded in records.

The auditor reviewed the content of the periodic training and watched a video produced for the training sessions given in remote mode to workers.

The training content includes safe practices when working with cyanide: do not eat, drink or smoke; actions to avoid; use of personal protective equipment, first aid, use of the Cyanokit, and emergency management.

The auditor reviewed the record of training in the use of personal protective equipment provided to workers. This training has a duration of 60 minutes.

The auditor reviewed training records by reviewing samples of the documentation, including the operator certifications granted to the 4 telehandler operators for safe cargo handling.

ALPA gives periodic training sessions in the product transfer procedure, lasting 45 minutes each.

Before arrival at the facilities, the new employee is sent an electronic link where they access the training "Safe Use of Sodium Cyanide".

Every ALPA employee assigned to work with cyanide receives initial induction and close supervision since the moment of hiring.

ALPA conducts regular training on production tasks such as lifting equipment, conducting ISO tank tightness tests, and transferring cyanide.

Training and evaluated assessments are documented.
The auditor attended a training show, presented by safety supervisors Julinho Ramos and Enrique Cano.

There is a training room with adequate audiovisual equipment and a 10-employee capacity.

The auditor interviewed the people in charge of the training sessions: Julinho Ramos and Enrique Cano. They are also in charge of periodically reviewing the safety and operational procedures and evaluating the performance of those attending the training.

The auditor reviewed records of evaluations, in which the score obtained is recorded, made to the personnel who attend training. This training also covered the handling of hazardous materials.

Production Practice 4.2

Train employees to respond to cyanide exposures and releases.

The operation is
- ✔ in full compliance with
- ☐ in substantial compliance with Standard of Practice 4.2
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

ALPA requires training on the procedures contained in both the General Emergency Response Plan and the Emergency Response Plan specific to Cyanide. Open-air training sessions of one hour and thirty minutes were provided on July 8, 2020, August 15, 2020, July 7, 2021, and July 14, 2021.

The auditor reviewed training records on cyanide exposure and spills in addition to the standard content of training provided to workers.

ALPA trains its workers in responding to cyanide exposures and spills. Training is also a complementary part of the drills. Training is conducted before the drill, and a final meeting is held to provide attendees with feedback and opportunities for improvement.

Safety trainers Julinho Ramos and Enrique Cano were interviewed regarding the frequency of these training sessions, which are provided each year by internal personnel.

ALPA maintains records of training. On these records, the employees and their signatures, the name of the instructor(s), the topic covered, and the number of hours of the training are listed.

Principle 5 | EMERGENCY RESPONSE

Protect communities and the environment through the development of emergency response strategies and capabilities.

Production Practice 5.1

Prepare detailed emergency response plans for potential cyanide releases.

The operation is
- ✔ in full compliance with
- ☐ in substantial compliance with Standard of Practice 5.1
- ☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

ALPA has developed an Emergency Response Plan for all Operations, PL-SIG-01, (hereinafter the General Plan), and an Emergency Response Plan with Cyanide, PL-OP-01, (hereinafter the Plan).

The Plan considers potential scenarios classifying incidents by levels. Level 2 is the stage in which there is water involved and more than 20 tons of cyanide. At this level, the government response (Civil Defense and Firefighters) plays a role in conjunction with external contractors, such as IFSEC-Peru.

In sections 5.3.3 and 5.3.4 of the Plan, the most probable types of incidents are considered, such as container falls with spillage and without spillage; and cases where there is any rain/storm watch, advisory, or warning.

The General Plan includes actions before, during, and after natural disasters such as earthquakes and tsunamis.

In section 5.3.5, actions against fires in the warehouse are discussed. It is specified that in case of danger of spillage, the Fire Department must be informed that for no reason the use of water is allowed. If there is water, make sure that the mixture with cyanide does not run into sewers, streets, canals, or irrigation ditches. Request that containment dikes be made with earth, sand, or any absorbent material (earth, etc.) to prevent the product from running freely. In section 5.8, the actions to be followed in different stages and the significance of fires are described. ALPA has fire brigades, first aid teams, and personnel in charge of the attention of incidents with hazardous materials.

ALPA does not use tanks or associated valves, the ISO tanks in the facilities are empty and stored in open areas.

ALPA has a generator in case of blackouts, but the tasks associated with the transfer process do not require electrical power. In the event of a blackout, only the compressor would be affected. However, this does not affect any a vital part of the process. In case of equipment failure, the operation would be paused if necessary.

ALPA does not use ponds, tanks, or cyanide treatment facilities.

The General Emergency Response Plan, in section 9, describes the actions to be followed to protect administrative personnel, workers, and neighboring communities in case of emergency, establishes the behaviors that those involved should follow, and defines the responsibilities of each brigadista from the moment the emergency signaling alarm is given.

The Plan section 5.11 describes and illustrates sequentially how to provide first aid for cyanide exposure, including the use of cyanide antidote and oxygen if necessary. It also includes a detailed description of the cyanide poisoning symptoms depending on the degree of consciousness of the affected person.

The Plan, in section 5.12, presents the decision tree in case of spills under various circumstances, and the actions to be followed to control the risk from the source. If the spill is dry, it is controlled with the use of shovels and brooms, detoxification of the floor, and collection of the spilled cyanide.
The case of spillage with the threat of rainwater or runoff is handled as follows:
1. Apply Lime on the product to raise the pH to 11.
2. Apply Sodium Hypochlorite in proportions 5:1.
3. Build surrounding dikes and dispose of waste in an authorized place.

At the scene at the time of an incident, the warehouse supervisor will act as the person in charge of the First Response Brigade, to secure the scene and the area, attend to any injured, and coordinate the containment and recovery of spilled product, if applicable.

Subsequently, it is up to IFSEC-Peru and governmental institutions to provide the second response.

Most in-warehouse cyanide accidents are small and can be managed locally. However, if the accident is larger and cannot be controlled by the warehouse supervisor with the assistance of the client and local resources, external help is needed. Progress from one level of response to another is what we understand as "response by levels."

According to section 4.1.2, it is the company's responsibility to coordinate and apply corrective actions to minimize the impact of the accident on people and the environment, investigate the causes of the accident, notify the corresponding organizations and follow up on the actions.

The results obtained from the exhaustive investigation of the incident will serve as the basis for the creation of new rules, procedures, and practices to avoid recurrences, with the support of management and the company's safety committee.

Production Practice 5.2

Involve site personnel and stakeholders in the planning process.

The operation is ✔ in full compliance with Standard of Practice 5.2

☐ in substantial compliance with

☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

ALPA among its personnel has formed different brigades to attend emergencies. These brigades include evacuation, first aid, fire and dangerous materials.

ALPA has prepared two emergency response plans, one of which is specific for cyanide, developed within the company and from local and international experiences.

For the purposes of preparing the Plan, ALPA sent a formal consultation to Peruvian government entities, including the Firefighters, who were invited to a training session and to exchange information to consolidate the Plan.

ALPA consulted with authorities in neighboring communities to identify the risks of any release scenario that could affect them and to advise the communities on how the operation will communicate with them in the event of an emergency. Contracted personnel who are volunteers from the Fire Department and interact with the communities collaborate in the ALPA facilities.

ALPA has involved external agencies such as the police, health care centers, firefighters and the IFSEC-Peru company. If an emergency arises, the warehouse supervisor in charge of the

emergency will apply the criteria that appear in the letter of the Plan, to deal with specific cases, contacting external help depending on the magnitude of the emergency.

Among external entities, in an emergency, firefighters maintain full control of the accident response at the scene.

ALPA communicates with those involved, including municipal authorities, police, firefighters, and civil defense regularly, to receive feedback so that the Plan considers all possible incident scenarios and the possible effects on the surrounding areas.

The auditor reviewed emails sent to those involved in case of emergency care.

Production Practice 5.3

Designate appropriate personnel and commit necessary equipment and resources for emergency response.

The operation is ✔ in full compliance with Standard of Practice 5.3

☐ in substantial compliance with

☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The Incident Commander assumes the coordination of the response with the following functions:

• Assess the safety situation and judge the magnitude of the problem.

• Put the Response Plan into action and call in key response team personnel, as deemed appropriate to deal with the situation and protect the public and property.

• Take the photographs that each critical situation warrants.

• Develop the Global Action Plan for the containment and cleanup of the specific incident (using field observers).

• Ensure that assigned responsibilities are carried out and that there is coordination among team members.

• Authorize the expenses that the response to the accident needs.

• Act as a spokesperson for The Company with the media and local authorities or coordinate these activities with those responsible for The Company to do so.

• Prepare the reports that this event warrants either for the authorities, or internal ones.

At the same time, in the event of an emergency, the person in charge of liaison with the government and Communications by ALPA has the following functions:

- Go to the scene of the cyanide accident upon receiving the notice from the Field Coordinator and obtain the cyanide accident reports.
- Establish a place outside the scene to be used as a meeting and press release center.
- Ensure that any corresponding governmental regulatory body has been notified or inform them of the fact.
- Obtain approval from the appropriate government agencies regarding specific operations that are subject to waste disposal, traffic diversion, etc. regulations.
- Be the main contact with government agencies for the publication of information and to comply with the applicable requirements, policies, and regulations.
- Lead observation tours of the cyanide accident site for representatives of government agencies, insofar as it is safe.
- Act as a spokesperson with the public, the media, and government agencies.
- Authorize the publication of any information pertinent to the operation.

Regarding the scope of responsibility for the necessary resources, the ALPA Procurement or Purchasing Manager will have the following functions:

• Obtain, purchase, materials, and services required by members of the response team to clean up the cyanide accident scene efficiently and effectively.

• Guarantee that the equipment and materials needed are obtained with the minimum delay.

• Stay in close contact with the Field Coordinator and other team members.

• Responsible for purchases at the scene of the cyanide accident. If cash payments are required, make the necessary arrangements.

• Establish a central point or points to receive the equipment.

• Ensure that there are people to receive and verify the items purchased.

• Obtain food and lodging for all personnel, including contractor personnel.

• Ensure that the relevant purchase records are kept and that they are promptly delivered to Accounting.

• Per what is indicated, obtain and assign mobilization equipment, cars, trucks, aircraft, and small boats and program unassigned vehicles for their maximum use.

• Arrange transportation for authorized visitors such as the media.

The Emergency Response Team is comprised of internal and external resources:

Internal

Field Coordinator

Government and Communications Liaison.

Purchasing agent in charge of purchases and acquisitions.

External

Firefighters

IFSEC-PERU

Health Care Centers

Hospitals

Section 8.2 of the Plan indicates the topics that should be addressed in the training on cyanide:

a) The properties of Cyanide

b) Personal safety

c) Safe handling

d) Storage

e) Fire near sodium cyanide

f) Medical emergencies

g) Environmental emergencies

The training will be aimed at the people who make up the First response, and the Second response; in case of emergencies.

In the Cyanide Emergency Response Plan, section 3.2, ALPA's internal contact information for coordinators and team members is indicated for emergencies with their updated phone numbers. External phone numbers for second response in case of spills are also included, as are those for hospitals, health centers, and police stations.

Similarly, the General Emergency Response Plan in Appendix G includes external contact information for emergencies such as Firefighters, Civil Defense, Explosives Deactivation Unit, Clinics, Hospitals, Police, Municipality of Lurín. The closest fire company is called Nuevo Milenio N ° 155, with an approximate response time of 15 minutes.

In section 1.5 of the Plan, the responsibilities of the General Manager of the Company, the Head of Health, Occupational Safety and Environment (HSE), and the names of the people who are members of the brigade groups to attend to emergencies with their respective coordinators are indicated.

The Plan in section 4.3 lists the available equipment related to securing the area during an incident, such as oxygen, antidotes and how to use them, manual cleaning equipment, waste storage bags, 80 kg of lime, and personal protective equipment.

During field inspection, the auditor verified that the emergency teams have a checklist for periodic inspection. Likewise, the presence of antidotes in the ALPA clinic was verified.

Section 5 of the Plan addresses all the scenarios and their defined emergency procedures, such as incidents with injuries, falls of containers with and without spills, warehouse fire, cyanide contact with body parts and poisoning.

In each of the scenarios described, the Plan specifies the roles of the people involved, including medical personnel, firefighters, ALPA responders, and second responders.

The General Emergency Response Plan confirms the inclusion of external entities in APPENDIX E. As indicated, the Safety Committee has scheduled a training session(s) and drill(s) for emergencies at least once a year.

Specialized personnel in security issues will be in charge of training and drills, as well as the General Corps of Firefighters of Peru (C.G.B.V.P. from its Spanish initials). The C.G.B.V.P. will present the agenda to be developed according to the characteristics of the property, the type of users, the activities they carry out, the security system installed, and the operating hours.

The National Institute of Civil Defense of Peru (INDECI from its Spanish initials) has a standard drill schedule, which includes topics on firefighting, cyanide, spills of dangerous liquid products, and evacuation and first aid.

Production Practice 5.4

Develop procedures for internal and external emergency notification and reporting.

The operation is ✔ in full compliance with / ☐ in substantial compliance with / ☐ not in compliance with Standard of Practice 5.4

Summarize the basis for this Finding/Deficiencies Identified:

The Plan includes in section 3.3 the contact information with phone numbers of the support institutions in detail in Lima and the surroundings of the South Pan-American Highway, where the ALPA facilities are located. The police delegations, the firefighters of Lurín, Lima, and Cercado de Lima are included.

The procedure is based on the concept of Risk Levels. The type of response, whether from internal company forces or external institutions, depends on the amount of cyanide involved in the incident. Broadly, 20 tons is the amount of cyanide that defines the type of response, but a case-by-case analysis is also performed.

Per ALPA in section 2.3 of the Incident and Accident Procedure PR-SIG-09 for a Significant Incident with Cyanide to the ICMI, it will proceed as follows:

Notification of a Significant Cyanide Incident in any of a signatory's operations that fall within the scope of the Cyanide Code and that are included in Part II of their signatory request must be provided to ICMI within 24 hours, following its occurrence, and must include the date and nature of the incident, as well as the name and contact information of a company representative to respond to requests for additional information. Additional salient information such as root cause, health, safety and environmental impacts, and any mitigation or remediation are requested to be provided within seven days of the incident.

In the event of an emergency in ALPA, the Government Liaison and Communications Officer is responsible for acting as spokespersons with the public, the media, and government agencies.

Per ALPA in section 2.3 of the Incident and Accident Procedure PR-SIG-09 for a Significant Incident with Cyanide to the ICMI, it will proceed as follows:
Notification of a Significant Cyanide Incident in any of a signatory's operations that fall within the scope of the Cyanide Code and that are included in Part II of their signatory request must be provided to ICMI within 24 hours following its occurrence. It must include the date and nature of the incident, as well as the name and contact information of a company representative to respond to requests for additional information. Further relevant information, such as root cause, health,

safety and environmental effects, and any mitigation or remediation carried out is requested within seven days of the incident.

• Notification must be submitted in writing by email or fax to ICMI at info@cyanidecode.org and + 1-202-835-0155.
• It is recommended to still notify ICMI even if there is any doubt as to whether the incident meets the ICMI criteria for a significant cyanide incident.

Production Practice 5.5

Incorporate remediation measures and monitoring elements into response plans and account for the additional hazards of using cyanide treatment chemicals.

The operation is ✔ in full compliance with Standard of Practice 5.5
☐ in substantial compliance with
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

In section 5.6 of the Plan, the measures to be taken for recovery and neutralization are described. Depending on the scenario, the recovery and neutralization will be done through manual tools, pH stabilization with lime, and the use of Sodium Hypochlorite in dry spill conditions.

The Plan considers making dikes to avoid overflows. The contaminated soils will be taken to an authorized hazardous waste site by the hazardous waste collection company, VIAMERICA.

The waste handling management, according to the Plan, will be through the company VIAMERICA that provides services for the capture and final disposal of hazardous waste in an authorized site.

In the event of a spill, the drinking water supply will not be affected.

If necessary, in case of imminent rain, the treatment would begin once the cyanide collection is finished and based on a decision agreed with the authorities. The exposed area may be decontaminated with lime and then a 5% hypochlorite solution to destroy residual cyanide. Rinse the area with plenty of water. An ideal way to apply hypochlorite is by using a sprayer like those used in gardens. Allow hypochlorite to remain in contact with the affected area for at least 15 minutes before rinsing.

The amount of lime and hypochlorite to be applied must be abundant (at least 2 times the stoichiometric balance).

There are no surface waters in the vicinity of the operation. The plan in section 5.9 limits the application of Sodium Hypochlorite, Hydrogen Peroxide, or Ferrous Sulfate, to localized spills that do not have risks of connection with natural channels.

IFSEC is dedicated to the second response and remediation of sodium cyanide and other chemical products on the road, if needed in a warehouse and/or mining unit; while VIAMERICA and any other supplier that ALPA contracts for these purposes, is dedicated to the collection of hazardous waste, including cyanide, which may include part of the remediation process in the event of a spill. Although there is not a standard procedure, since these companies are specific to work with different chemicals in general, both know that they should not use so much sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide in surface water.

The ALPA warehouse is located in a flat area, including its surroundings, where rainfall is scarce. The Lurín River, the closest drainage is about 2.2 km away. The ocean is 1 km away. The transfer operation executed is indoors. The stored products are also kept indoors.

In the auditor's opinion, a monitoring plan in the conditions where the warehouse and roofed facilities are located would be limited to a localized spill.

Production Practice 5.6

Periodically evaluate response procedures and capabilities and revise them as needed.

The operation is ✔ in full compliance with Standard of Practice 5.6

☐ in substantial compliance with

☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The Plan, in section 9, requires to be updated whenever there are substantial modifications, in terms of procedures, responsible people, phone numbers, routes, equipment, methods, or any other consideration that allows ALPA to be more effective and efficient.

Those responsible for these modifications will be the parties involved and who must update and retransmit the Plan is The Company to all interested parties.

Section 8.5 of the Plan requests 2 drills per year. Due to the pandemic, only one drill was carried out on March 5, 2021. The scenario of this drill was an injured and poisoned person during work on the cyanide transfer process. The 16 recommendations of the March 5, 2021 drill were implemented and closed.

Recommendation 1.

Cell phone numbers were updated; and it was instructed that if any changes are made, they must be informed immediately so there is not a lost of communication. The head of IT sent via email the update of the telephone numbers of the ALPA staff.

Recommendation 2.

The WhatsApp groups of the brigades were verified and activated to improve communication during any emergencies.

Recommendation 3.

Check on the correct operation of the emergency buttons of all ALPA.

Recommendation 4. Theoretical and practical reinduction to the brigades about the actions to be carried on during any emergency event. Training in First Aid and MATPEL were carried out.

Recommendation 5. Sign post and spread to all the personnel the location of the Cyanokit. It is located in warehouse No. 5 and is labeled.

Recommendation 6.

The cyanide decontamination practice was reinforced for when there is a victim. The staff has been trained to complete this observation.

Recommendation 7.

Asign a person in charge or the leader of the MATPEL brigade to be in charge of the transfer of materials, equipment such as gas meters, to the emergency point or in any case use whatsaap to request support from another member of the brigade for the transfering of these materials or equipment. The person in charge is the leader of the brigade: Luis Huamani – Cyanide Operations Supervisor.

Note: Regarding recommendations 4,5,6,7,8 and 10, they have been raised in the First Aid training; points 11,12, 14, 15 and 16 with the MATPEL training.

Due to the COVID-19 outbreak, the Peruvian government suspended the execution of drills and simulations approved by R.M. N ° 023-2019-PCM as long as the Declaration of a State of National Emergency is in force due to the serious circumstances that affect the life of the Nation.

The ALPA Plan is periodically reviewed in emergencies arising in drills that are not contained in the Plan. The auditor observed no changes in the current version of November 20, 2020.