

CORRECTIVE ACTION PLAN FINAL COMPLETION REPORT

Beagle Shipping S.A. Transport Operation

The sections below detail the corrective actions, agreed by Beagle Shipping S.A. (Beagle) and the Lead Auditor, necessary to bring Beagle into Full Compliance, as indicated in the Detailed Audit Report and required in the Corrective Action Plan submitted to the ICMI. The site audit was performed on February 26 and 27, 2020 using the ICMI Cyanide Transportation Verification Protocol, December 2016 version.

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

Protocol Question 3.1.2 Is the plan appropriate for the selected transportation route or interim storage facility?

Deficiencies

During the audit it was found the plan was not appropriate for the transport operation as contains elements that do not apply to the current operation, e.g. disposal of waste in mine, actions of first and second response, monitor HCN, among others according to annotations in the revised plan.

Corrective Actions

Beagle is required in the Corrective Action Plan (CAP) to develop and implement an emergency response plan to reflect actions according to the response capabilities and ongoing operations. Evidence required to close this audit finding is:

- Emergency response plan developed and implemented for the transport operation
- Records on training in the new plan to all personnel involved in the operation of cyanide transport.
- Record of proof of understanding of the new plan (exams on the training)

Evidence sighted by the Lead Auditor

- Beagle presented a completely reviewed Emergency Response Plan: Plan PI MCS 09 Sodium Cyanide Contingency Plan dated October 2, 2021. The reviewed Emergency Response Plans has been developed for the specific circumstances where they will be used, is no more a generic document adapted from plans developed for other situations without the appropriate revisions. The Emergency Response Plan reflects the specific issues presented by the particular transport route.
- The auditor reviewed the assistance records of the virtual training given to its personnel on October 12 and 15, 2021.

- Beagle sent a copy of the results obtained during the exam to his collaborators after the training in the Plan, showing that 33 workers passed the exam.

Protocol Question 3.1.7 Does the plan include descriptions of response actions, as appropriate for the anticipated emergency situation?

Deficiencies

Throughout the plan, different response actions to the same scenario are described, creating confusion. There is no coherence.

Corrective Actions

- It is required to maintain coherence throughout the plan describing the response actions, as appropriate for the anticipated emergency situation.
- Records of an emergency response mock drill involving a cyanide spill and exposure to workers, where these response actions have been tested.

Evidence sighted by the Lead Auditor

- Beagle's completely reviewed emergency response plan: Plan PI MCS 09 Sodium Cyanide Contingency Plan dated October 2, 2021. The Plan describes the nature of the response actions to be taken for the types of emergency situations identified. The level of detail is adequate to the nature of the potential emergencies identified in the Plan and the available response capabilities. It includes response actions to a release during transport with enough specificity along the route.
- Beagle sent a report of the emergency response mock drill performed on October 16, 2021. As described in the report, the drill trained the application of the Emergency Response Plan for cyanide spillage to drivers and to the personnel involved to attend this type of event, measuring the effectiveness of the Plan to address deviations, if necessary.

The drill simulated an emergency situation that occurs in circumstances in which cyanide is being transported and there is a collision with the evolution of the cyanide spill and the impact on the health of the driver. At Km 53 of the South Pan-American highway, being 9.00 a.m., a semi-trailer driver falls asleep producing an impact at approximately 50 km per hour against the driver's cab of Beagle Shipping on the left side, leaving the driver unconscious. Additionally, the impact caused the cart and container to overturn. As a result, the container is opened, dropping 20 kilos of sodium cyanide in briquettes, to the wet soil product of the morning drizzle.

The mock drill report includes pictures, detected improvement opportunities, follow up and closing the required actions. At least 8 workers participated, including 5 drivers.



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

Protocol Question 3.4.1 Are there procedures for remediation, such as recovery or neutralization of solutions or solids, decontamination of soils or other contaminated media and management and/or disposal of spill clean-up debris?

Deficiencies

Remediation actions are scattered in the plan. The plan describes sanitation actions that escape the capabilities of the transport company.

Corrective Actions

Beagle is required to describe objectively and in detail the remediation actions that they reasonably will address as the first response and what actions correspond to a second response and who will carry them out after a cyanide spill.

Evidence sighted by the Lead Auditor

The reviewed Emergency Response Plan has included in Section 11 and 12 procedures describing in detail actions for remediation, such as recovery and neutralization of solutions or solids, decontamination of soils or other contaminated media and management and/or disposal of spill clean-up debris. The transporter will be directly involved with recovery and remediation for small spills. The convoy escort along with the drivers will provide the initial response to a transport-related release. Where the release involves only a small amount of material or can be easily contained, the convoy team are trained to remediate the spill immediately and prevent more extensive contamination. The Emergency Response Plan address this possibility to the extent it can be safely accomplished.

Ultimate clean-up of releases that occur during transport would likely be contracted out to Ecomarine a commercial chemical remediation company. Ecomarine has been identified in the transporter's Emergency Response Plan. As stated in the Plan, Ecomarine manages the final disposal for the disposal of hazardous materials through its supplier Company (EPS) specialized and authorized company for the final disposal and disposal of contaminated materials (hazardous waste). Ecomarine has specialized human resources, the same ones that are responsible for the elimination and final disposal to be known on the physicochemical composition of waste and/or hazardous waste, applying the appropriate treatments, complying with the provisions indicated in local regulations.

Conclusion

The Lead Auditor is satisfied that the corrective actions taken, meet the requirements of the corrective action plan and thus enable Substantial Compliance in these Transport Practices to be revised to Full Compliance.

