

SUMMARY AUDIT REPORT

Operation General Information

Name of Transportation Operation: PT CIPTA KRIDA BAHARI (CKB)

Name of Facility Owner: Sjafei

Name of Facility Operator: Sjafei

Name of Responsible Manager: Mohammad Nasrul Yusni

Address: Central Osowilangun Business Park Blok 7-K Jl. Tambak Osowilangun 81-D Surabaya

State/Province: East Java

Country: Indonesia

Telephone: (031) 98541000

E-Mail: m.nasrul@ckb.co.id

Operation Location Detail and Description

CKB is using cyanide transportation to PT BSI Mine as pre-operational scope of supply chain covers land transportation from Surabaya Port to Banyuwangi.

CKB

Danny Tan

28 Oct 2023

Name of Operation:

Signature of Lead Auditor
& Technical Expert

Date:

SUMMARY AUDIT REPORT

Auditor's Finding

This operation is

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

with the International Cyanide Management Code.

Auditor Information

Audit Company: Danny Tan

Lead Auditor: Danny Tan

Lead Auditor Email: dannytan163@yahoo.com.sg

Dates of Audit: 14 to 15 Aug 2023

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 for this pre-operational audit 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.

CKB	<i>Danny Tan</i>	28 Oct 2023
Name of Operation	Signature of Lead Auditor	Date

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Principles and Standards of Practice

Principle 1 | TRANSPORT

Transport cyanide in a manner that minimizes the potential for accidents and releases.

Standard of Practice 1.1:

Select cyanide transport routes to minimize the potential for accidents and releases.

in full compliance with

The operation is in substantial compliance with Standard of Practice 1.1

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CKB conducted a comprehensive route assessment in accordance with Sodium Cyanide Shipment/Transportation (WI-OPS-002-CND dated 2 Jun 2023) verified with onsite sampled of route risk assessment along with for cyanide transportation route to PT BSI mine (as pre-operational scope of supply chain covers land transportation from Surabaya Port to Banyuwangi).

The review of risk assessment to PT BSI mine and based on documented information and on-site verification, selection of route was based on the minimizing the potential accidents and releases or the potential impacts of accidents with due consideration given for the following:

- a) Population density (Industrial and Housing Estate)
- b) Infrastructure (roadway, rail, port) construction and condition (Railway track)
- c) Pitch and grade (Highway up to bridge)
- d) Prevalence and proximity

Periodic evaluation is carried out every 6 months / if there are differences in the previous situation and conditions (re-route assessment, feedback to be gathered from assigned driver as part of journey report.

As part of overall consideration for risk assessment there are provisions in place for special safety or security concerns that warrant the use of convoys, escorts or other additional safety or security measures.

CKB do not contract entities to conduct land transportation.

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Standard of Practice 1.2:

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

in full compliance with

The operation is in substantial compliance with Standard of Practice 1.2

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Based on review of work instructions – driver recruitment, driver selection as reviewed with qualification licences dated Mar and Dec 2022 and for personnel operating forklift and associated qualification process formally documented (Selection Criteria - Sodium Cyanide Shipment/Transportation (WI-OPS-002-CND dated 2 Jun 2023)

Reviewed training records from 18 to 19 Oct 23 conducted for all personnel operating cyanide handling and transport equipment.

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Standard of Practice 1.3:

Ensure that transport equipment is suitable for the cyanide shipment.

in full compliance with

The operation is in substantial compliance with Standard of Practice 1.3

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Based on interview with site personnel, it was noted that procedures are in place to prevent overloading of the transport vehicle being used for handling cyanide

The above are also validated with the following documented information as reflected in Sodium Cyanide Shipment/Transportation (WI-OPS-002-CND dated 2 Jun 2023)

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Standard of Practice 1.4:

Develop and implement a safety program for transport of cyanide.

in full compliance with

The operation is in substantial compliance with Standard of Practice 1.4

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Based on onsite observations, it was noted that placards used to identify the shipment as cyanide, as required by local regulations, including international standards

Reviewed procedure in place for provision of (Sodium Cyanide Shipment/Transportation (WI-OPS-002-CND dated 2 Jun 2023)

covering topics such as coupling and decoupling procedure refresher, safety on the road, fatigue control, over speeding, pre-trip inspection checklist response actions in the event of road accidents and Personal Protective Equipment and validated with onsite interview held with personnel on site.

Verified vehicle maintenance records for both vehicle and trailer from Jan to Sep 23.

Limitations on operator or drivers' hours as

reflected Sodium Cyanide Shipment/Transportation (WI-OPS-002-CND dated 2 Jun 2023) - Drivers working hours and fatigue management plan dated DDMMYYYY with at least 6-8 hours rest prior to driving.

Sodium Cyanide Shipment/Transportation (WI-OPS-002-CND dated 2 Jun 2023) procedures to prevent loads from shifting and verified onsite.

Drug abuse program in place as documented in Sodium Cyanide Shipment/Transportation (WI-OPS-002-CND dated 2 Jun 2023) verified with drivers' sample tests conducted in the month of Aug 2023 for 7 DG drivers with negative tests and verified that records are retained.

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Standard of Practice 1.5:

Follow international standards for transportation of cyanide by sea.

in full compliance with

The operation is in substantial compliance with Standard of Practice 1.5

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CKB intended scope of ICMI cyanide transportation does not apply to transport of cyanide by sea.

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Standard of Practice 1.6:

Track cyanide shipments to prevent losses during transport.

in full compliance with

The operation is in substantial compliance with Standard of Practice 1.6

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Means of communication is through mobile phones and Walkie Talkie as verified onsite observation and functionality checks as reflected in Sodium Cyanide Transportation Pre-Departure Checklist (FRM-OPS-001-CND)

After evaluation of the above reviews, CKB has the system in place to track the progress of their cyanide shipments.

On-site route assessment and interviews with transport manager and noted that system is in place to ensure tracking of cyanide shipments and loss prevention and screenshot records of car track streaming systems for livestreaming of transportation vehicles.

Verify communication blackout areas along transport routes have been identified and special procedures implemented for the blackout areas. (WI-OPS-oo4-CND dated 5 Oct 23)

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Principle 2 | INTERIM STORAGE

Design, construct and operate cyanide interim storage sites to prevent releases and exposures.

Standard of Practice 2.1:

Store cyanide in a manner that minimizes the potential for accidental releases.

in full compliance with

The operation is in substantial compliance with Standard of Practice 2.1

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CKB had made provisions based on established procedure (Sodium Cyanide Storage – WI-OPS-001-CND dated 2 Jun 2023) that warning signs are visible in both Indonesia and English language at the entrance of future open space Warehouse to alert personnel the presence of cyanide; that smoking, open flames, eating and drinking are not allowed and what personal protective equipment are needed to be worn. The cyanide storage open yard must be dry and not waterlogged. Installation of concrete blocks as a pedestal for containers as an alternative to avoiding waterlogging during rainy days will increase the safety of the containers containing Sodium Cyanide. - The required stack height of the filled containers is 2 tiers. - Water drainage in the open yard area shall be self-collected in the waste control.

Security is being ensured with a security post managed by outsourced security services as observed during on-site visits at existing warehouse storing dangerous goods. Visitors access control is in place and monitored for entrance to warehouse.

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Principle 3 | EMERGENCY RESPONSE

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

Standard of Practice 3.1:

Prepare detailed emergency response plans for potential cyanide releases.

in full compliance with

The operation is in substantial compliance with Standard of Practice 3.1

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CKB had procedure in place for Emergency Response Procedure (Sodium Cyanide Handling Emergency Response Plan – WI-OPS-003-CND dated 2 Jun 2023 for emergency response plans (ERP) to address potential cyanide releases for both interim storage and land transportation. Management of the following identified incidents leading to potential cyanide release derived were from risk assessment:

- Human exposure that requires an action by an emergency response team, such as decontamination or treatment
- An unpermitted release which enters natural surface waters, on or off-site
- An unpermitted release that occurs off-site or migrates off-site
- An onsite release requiring action by an emergency response team
- A transport incident requiring emergency response for cyanide release
- An event of multiple wildlife fatalities where cyanide is known or credibly believed to be the cause of death
- Theft of cyanide

Respective classifications of incidents (such as accidental sodium cyanide poisoning and spill to waterway) correspond with incident response structure for basic incident and specific emergency response guide taking into account the physical and chemical form of cyanide during accidental release. Requirements of transport infrastructure are considered as part of the overall ERP:

- Personnel Protective Equipment
- Recovery vehicle
- Evacuation zones
- Communications with external responders
- Respective roles and integrated response with local communities, medical facilities, local authorities and fire department
- MSDS – Sodium Cyanide
- ICMI Notification Process

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Standard of Practice 3.2:

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

in full compliance with

The operation is in substantial compliance with Standard of Practice 3.2

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CKB had procedure in place (Sodium Cyanide Handling Emergency Response Plan – WI-OPS-003-CND dated 2 Jun 2023) Response Procedure and Emergency Response Plan and based on interview with site personnel including ERP awareness training for personnel involved interim storage and transportation operations covering the following:

- Specific roles and responsibilities during activation of ERP
- Interim storage and transportation designated emergency response equipment
- Personal Protective Equipment (PPE)

This includes specific cyanide emergency response duties and responsibilities assigned to its personnel and outside responders during response to emergency incidents such as leakage or spillage.

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

A maintenance regime was established to ensure the assurance on the functionality of the emergency response equipment. Records are maintained for this regime along with the list emergency response required for ERP for transportation operations.

Training records (Emergency and Critical Response Training for Cyanide and Other Hazards) and appropriate materials were reviewed to ascertain the relevancy and application as verified with training records from 18 to 19 Oct 23.

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Standard of Practice 3.3:

Develop procedures for internal and external emergency notification and reporting.

in full compliance with

The operation is in substantial compliance with Standard of Practice 3.3

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CKB procedure (Sodium Cyanide Handling Emergency Response Plan – WI-OPS-003-CND dated 2 Jun 2023) depicts contact information for respective notification of emergencies in the event of emergencies that occur during transportation. Implemented ERP procedure covers both internal and external emergency notification and reporting as part of the incident response structure. This is being reviewed during toolbox meeting prior to land transportation. Contact lists are currently updated during these meetings.

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

Management/Flowchart is in place to notify ICMI of significant cyanide incidents. Based on interviews held with onsite personnel, it is verified that till date no significant cyanide incident has happened that required to notify ICMI.

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Standard of Practice 3.4:

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

in full compliance with

The operation is in substantial compliance with Standard of Practice 3.4

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

CKB procedure (Sodium Cyanide Handling Emergency Response Plan – WI-OPS-003-CND dated 2 Jun 2023) outline the spill contingency plan in the event of accidental spillage; of which external resource will provide the required responses including procedures for remediation, such as recovery or neutralization of solutions or solids and decontamination of soils or other contaminated media. It addresses the prohibition on the use of chemicals such as sodium hypochlorite, ferrous sulphate and hydrogen peroxide to treat cyanide that has been released into surface waters. the cyanide handling or transport. Procedure reviewed and verified the above is reflected.

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

in full compliance with

The operation is in substantial compliance with Standard of Practice 3.5

not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

Verified that mock drills are being conducted on 19 Oct 23 as part of overall reviewing and evaluation of the established ERP response plans as per desktop drill with scenario of forklift causing accidental cyanide spill.

Cyanide ERP dated 2 Jun 23 with provision to conduct refresher training for ERP every 6 months.

Verified that mock drills are being conducted on 19 Oct 23 as part of overall reviewing and evaluation of the established ERP response plans as per desktop drill with scenario of forklift causing accidental cyanide spill in accordance with established ERP dated 2 Jun 23

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