REPORT

DRASLOVKA – Czech Republic Supply Chain No 1

ICMI CERTIFICATION SUMMARY REPORT

Submitted to:

International Cyanide Management Institute (ICMI)
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Washington, DC 20005
UNITED STATES OF AMERICA

Submitted by:

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Summary Report

July 2024

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1.0 SUMMARY AUDIT REPORT FOR CYANIDE TRANSPORTATION OPERATIONS

Name of Cyanide Transportation Facility: Draslovka – Czech Republic

Name of Facility Owner: Draslovka – Czech Republic

Name of Facility Operator: Draslovka – Czech Republic

Name of Responsible Manager: Jan Vokněr

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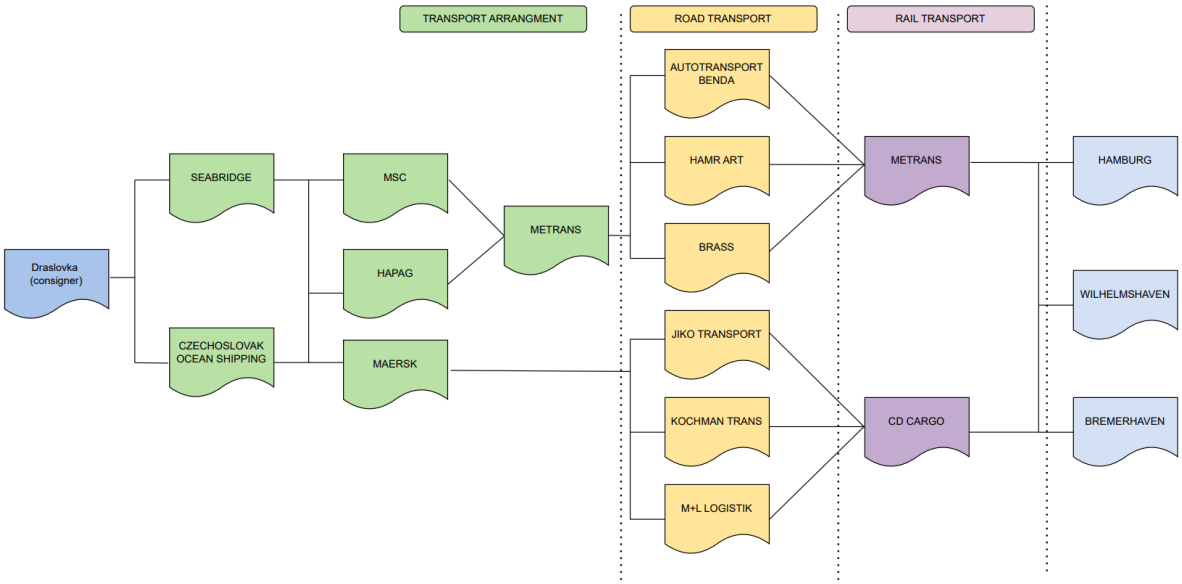
2.0 OVERVIEW

This report focuses on transport of Cyanide from arrival from its production at the Lučební závody Draslovka a.s. Kolín (Draslovka) manufacturing plant in Kolin (Czech Republic) to the German Sea Ports at Bremerhaven, Hamburg and Wilhelmshaven. Draslovka are supported by Seabridge and Czechoslovak Ocean Shipping (transport consultants). Draslovka will use sea transport by Hapag, Maersk and Mediterranean Shipping Company (MSC) (not part of this supply chain). Consequently, they are using both Hapag, Maersk and MSC's selected road and rail transporters to transport the containers to the Ports.

Maersk (not part of this supply chain) use three subcontractors (M+L Logistik, Kochman Trans and Jiko Trans) to carry out the road transport of containers from Draslovka manufacturing plant in Kolin to the rail terminal in Melnik which is operated by Maersk's sister company Star Container. Stars Containers transfer the containers to the rail carrier (CD Cargo). CD Cargo then transports the containers to all three German sea ports (Bremerhaven, Hamburg and Wilhelmshaven) by rail.

Hapag and MSC (not part of this supply chain) use Metrans (rail transporter in this supply chain) who use an additional three subcontractors (Autotransport Benda, Brass Breburda (Brass), HAMR ART (HAMR)) to transport the containers to the Metrans (rail transporters) in Prague by road. Rail transport then transports the containers to the Bremerhaven, Hamburg and Wilhelmshaven Sea Ports.

The routes are summarised below:



Note that MSC, Hapag and Maersk are not part of this supply chain but use other parties within this supply chain for onward transport to the sea ports.

For these routes, transport routes have been planned, appropriate systems developed and applied, and in some cases transportation convoys have been undertaken under separate contracts.

The following parties are involved in the Draslovka routes:

1) Lučební závody Draslovka a.s. Kolín, Kolin, Czech Republic

Lučební závody Draslovka a.s. Kolín (Draslovka) operates as the main Consignor for the transport of cyanide in this supply chain to Sea Ports in Germany. They are based as the Draslovka cyanide manufacturing facility in Kolin which is International Cyanide Management Code (ICMC) certified as a producer. Draslovka will act as the Consignor for the supply chain and manage all of eth Consignor duties required by the Cyanide Transportation code.

2) Seabridge Transport; Czech Republic

Seabridge Transport, a transport consultant, support Draslovka in arranging shipments and managing some of the Consignor duties. Seabridge has ISO9001 accreditation and Certification by the customs administration as an “Authorized Economic Operator” (AEO), continuous training of employees, compliance with dangerous goods regulations, and constant monitoring and compliance with international security and anti-terrorism regulations.

Whilst Seabridge takes on some of the Consignor duties, all Consignor duties with responsibilities within the ICMI Code are managed by Draslovka. Seabridge operate under a Master Services agreement to arrange for transport using only the specific providers named in this supply chain and under the requirements of International Cyanide Management Code. This includes following routes selected by Draslovka. Seabridge does however provide tracking of containers throughout this supply chain.

3) Czechoslovak Ocean Shipping; Czech Republic

Czechoslovak Ocean Shipping (COS) are a transport consultant who support Draslovka in arranging shipments and managing some of the Consignor duties. The company is a privately owned and fully independent company founded in 1999 in the Czech Republic. The company has the following

certifications and accreditations; ISO9001, 27001, 28000, 37001, AEO and Baltic and International Maritime Council (BIMCO).

Whilst COS takes on some of the Consignor duties, all Consignor duties with responsibilities within the ICM Code are managed by Draslovka. COS operate under a Master Services agreement to arrange for transport using only the specific providers named in this supply chain and under the requirements of International Cyanide Management Code. This includes following routes selected by Draslovka. This includes following routes selected by Draslovka. COS does however provide tracking of containers throughout this supply chain.

4) CD Cargo; Czech Republic

CD Cargo handle rail transport for Maersk, transporting containers by train from the Melnik rail terminal. CD Cargo employs nearly 7000 employees in the Czech Republic and are the largest Czech railway transport provider. Their annual volume of the transport of goods ranks them amongst the five largest railway transport providers within the EU member states. The operation of freight wagons in CD Cargo is provided by over 900 engines.

CD Cargo has an established and maintained integrated management system. The integrated management system includes the following accreditations: International Organization for Standardization (ISO) 9001, ISO 14001, ISO 45001, ISO 50001, AEO, Safety & Quality Assessment for Sustainability (SQAS).

A review of due diligence information provided by Draslovka has been undertaken for this company (Section 3).

5) Star Containers; Czech Republic

Star Containers is a subsidiary of Maersk and operates the rail terminal at Melnik. Star Containers will transfer the containers loaded with cyanide from the road transport vehicles to the rail transporter (CD Cargo) at Melnik, for onward rail transport by CD Cargo.

A review of due diligence information provided by Draslovka has been undertaken for this company (Section 3).

6) M+L Logistik; Czech Republic

M+L Logistik is a road transportation company that sub-contracts to Maersk who use CD Cargo for rail transportation. M+L Logistik will transport containers between the Draslovka Manufacturing site in Kolin, Czech Republic to the Rail terminal in Melnik. M+L Logistik have been operational in transport logistics since 1992. M+L Logistik transport dangerous goods in accordance with the International Carriage of Dangerous Goods by Road (ADR) agreement which includes:

- Unit and carload transport of hazard classes 1-9
- ADR transport in combined mode and taking advantage of this system (e.g. high transport capacity, weight)
- Online monitoring of goods (vehicles) by Global Positioning System (GPS), which supports the supervision of transport safety
- Equipment according to ADR (regular inspections and maintenance provided within the information system, online telematic information on the vehicle – tyre inflation, brake wear, driving style, braking rate, etc.)
- Professionally trained drivers for the given type of transport (taking courses in defensive driving and prevention of the vehicle overturning beyond the scope of the law)

- Appropriate personal protection equipment for vehicle crew
- Consulting an internal ADR safety adviser regarding the transport of dangerous goods

Draslovka carry out the route risk assessments for the transport between Draslovka and the rail terminal at Melnik. Draslovka also provides Cyanide and Emergency Plan training and provides the Emergency Response Plan.

7) Kochman Trans; Czech Republic

Kochman Trans is a road transportation company that sub-contracts to Maersk who use CD Cargo for rail transportation. Kochman Trans will transport containers between the Draslovka Manufacturing site in Kolin, Czech Republic to the Rail terminal in Melnik near Prague.

The company started in 1991 as a family business. They now have 59 trucks of which 17 are used for the transport of Dangerous Goods. They are based at their own facilities and have an office block and service area where they service their own vehicles. For vehicle breakdowns, they have a towing truck, which can tow the trucks and trailers used by them.

All trucks are fitted with a GPS system adapted to their needs. This includes communication portal, online tracking and traffic event information fed live. They have a team of trained and reliable drivers and dispatches.

Draslovka carry out the route risk assessments for the transport between Draslovka and the rail terminal at Melnik. Draslovka also provides Cyanide and Emergency Plan training and provides the Emergency Response Plan.

8) Jiko Trans; Czech Republic

Jiko Trans is a road transportation company that was established in 1991 and sub-contracts to Maersk who use CD Cargo for rail transportation. Kochman Trans transport containers between the Draslovka Manufacturing site in Kolin, Czech Republic to the Rail terminal in Melnik.

The company specializes in the transportation of sea containers and their vehicle fleet is constantly modernized to meet safety regulations and standards. The safety and health protection of their employees and customers, as well as the protection of the environment, are a priority. Their main territory is the Czech Republic and neighbours (Austria, Germany, Slovakia) and other European countries. Vehicles are equipped with modern tracking equipment. They also conduct regular mandatory and optional training and education for both drivers and workers at all levels of management.

Jiko Trans have 8 ADR (Dangerous Goods) drivers in total (including sub-contractors using their own vehicles). They are all treated as Jiko employees with training and review of vehicles service / maintenance records.

Draslovka carry out the route risk assessments for the transport between Draslovka and the rail terminal at Melnik. Draslovka also provides Cyanide and Emergency Plan training and provides the Emergency Response Plan.

9) Metrans; Czech Republic

Metrans is a rail operator that operates a rail terminal at Prague-Uhříněves allowing container transport to sea ports in Germany.

Metrans is a combined transport operator provides comprehensive services for the transport of sea containers, re-locatable tankers and tank containers in the network of container terminals. The services

include the provision of terminal operations of container transhipment and the provision of rail and road transport through subcontracting companies. Some of the consignments transported are classified as dangerous under the Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) or the Regulations concerning the International Carriage of Dangerous Goods by Rail (RID). They hold ISO9001 and ISO14001 accreditations.

A review of due diligence information provided by Draslovka has been undertaken for this company (Section 3).

10) Autotransport Benda; Czech Republic

Autotransport Benda is a road transportation company that sub-contracts to Metrans. They are used by Metrans to transport cyanide in containers between the Draslovka Manufacturing site in Kolin, Czech Republic to the Rail terminal in Prague. They have worked with Metrans for 4 years.

Metrans carry out the route risk assessments for the transport between Draslovka and the Metrans rail terminal. Draslovka provides the Cyanide and Emergency Plan training and provides the Emergency Response Plan.

11) Brass Breburda; Czech Republic

Brass Breburda is a road transportation company that sub-contracts to Metrans. They are used by Metrans to transport cyanide in containers between the Draslovka Manufacturing site in Kolin, Czech Republic to the Rail terminal in Prague. Brass were established in 1992, and started working with Metrans since 2002.

Metrans carry out the route risk assessments for the transport between Draslovka and the Metrans rail terminal. Draslovka provides the Cyanide and Emergency Plan training and provides the Emergency Response Plan.

12) HAMR ART; Czech Republic

HAMR ART (HAMR) is a road transportation company that sub-contracts to Metrans. They are used by Metrans to transport cyanide in containers between the Draslovka Manufacturing site in Kolin, Czech Republic to the Rail terminal in Prague.

HAMR has been in operation for 5 years under this name, but the organisation has been in existence around 20 years under previous names. HAMR specialises in the transport of sea containers primarily for Metrans. They have a fleet of 20 trucks that operate only for Metrans.

Metrans carry out the route risk assessments for the transport between Draslovka and the Metrans rail terminal. Draslovka provides the Cyanide and Emergency Plan training and provides the Emergency Response Plan.

13) Bremerhaven Port; Germany

The Port of Bremerhaven has three continuer terminal operators including **Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC Gate Bremerhaven**. EUROGATE operates three container terminals at the Bremerhaven location. EUROGATE Container Terminal Bremerhaven is a common-user terminal which stands open for vessels from all shipping lines. NTB North Sea Terminal Bremerhaven, located at the north end of the terminal, is a dedicated terminal for the world's largest shipping line, Maersk Line. MSC Gate Bremerhaven operates from the southern point of the terminal site. MSC Gate Bremerhaven is also a joint venture, with the world's second-biggest shipping line. All

three terminal facilities are linked to each other with no boundaries, so that container transfers from one terminal to another are possible.

A review of due diligence information provided by Draslovka has been undertaken for these Ports (Section 3).

14) Hamburg Port; Germany

The Port of Hamburg has two container terminal operators including **Eurogate, and Container Terminal Altenwerder (CTA)**.

The Eurogate terminal is located in the western part of the Port of Hamburg. The Eurogate terminal is certified in accordance with ISO 90001 standards. Their activities at the terminal are in compliance with German legislation and SOLAS (certification) conventions. The company's terminals apply regulations in accordance with the International Ship (ISPS) Code.

The CTA terminal is located south of Hamburg on the Elbe River. It is owned 75% by HHLA (Hamburger Hafen und Logistik AG) and 25% by Hapag Lloyd. The terminal is operated by Hapag Lloyd. CTA has the following ISO standards and accreditations: ISO 90001, ISO 14000, International Convention for the Safety of Life at Sea (SOLAS), International Ship and Port Facility Security (ISPS) Code.

A review of due diligence information provided by Draslovka has been undertaken for these Ports (Section 3).

15) Wilhelmshafen Port; Germany

The Port of Wilhelmshafen has a container terminal operated by **Eurogate**. The terminal is governed by ISPS regulations. The container terminal is secure and under closed circuit television (CCTV) surveillance. On departure of containers with Dangerous Goods, the driver's license is checked to ensure that only licensed personnel are transported. The storage area is constructed of asphalt or concrete (leak-proof). The warehouse is equipped with a sealable storm drain approved for the collection of hazardous substances. Dangerous Goods are stored in closed sealed containers. Compatibility with other goods is maintained during storage, containers of cyanide are stored away from oxidizing agents and acids. Only authorised personnel may handle dangerous goods. Personnel handling Dangerous Goods are trained.

A review of due diligence information provided by Draslovka has been undertaken for this Port (Section 3).

Draslovka contract with mine sites (depending on specific orders/contracts) to transport solid cyanide to relevant ports for onward transport to gold and silver mines. Draslovka's main operations base is situated in Kolin in the Czech Republic and solid cyanide is transferred from this site to the relevant German port. This is the extent of this Supply Chain.

Draslovka's Code responsibilities (within this supply chain) commence on collection and loading of the containers at their Kolin site until delivery to the relevant Sea Port in Germany. Draslovka considered 5 different options for the transport of cyanide for Draslovka to the German Sea Ports. Their assessment concluded that the road transport between Draslovka and the two rail terminals in Prague and Melnik followed by rail transport to the 3 Sea Ports in Germany provided the safest approach. The road transport between Draslovka and the two rail terminals was subject to further route assessment and this process is described further below.

Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Rail and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, carry out transport activities in accordance with the Code requirements.

3.0 SUMMARY AUDIT REPORT

Auditors Findings

Draslovka – Czech Republic

☒ **in full compliance with The international Cyanide Management Code**

☐ in substantial compliance with

☐ not in compliance with

This operation is in FULL COMPLIANCE with the International Cyanide Management Code.

Audit Company: Whatton Consulting Limited

Audit Team Leader: Dale Haigh - Lead Auditor

Email: dalehaigh@whattonconsulting.com

Dates of Audit

The Certification Audit was undertaken over 10 days, between 16 April and 25 April 2024.

The audit was undertaken by Dale Haigh of Whatton Consulting. Dale Haigh is pre-certified as an ICMI Lead Auditor and ICMC Transport Specialist and he acted in this capacity during the audit.

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.

To-Pet - Turkey		
Name of Facility	Signature of Lead Auditor	Date
Draslovka, Czech Republic		July 2024

4.0 PRINCIPLE 1 – TRANSPORT

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

Transport Practice 1.1: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.1? Explain the basis for the finding.**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Transport Practice 1.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Transport Practice 1.1; select cyanide transport routes to minimize the potential for accidents and releases.

The transporter implements procedures to select safe transport routes, minimizing the risk of accidents and releases. The road transport routes from Draslovka to two rail terminals near Prague are short (70-100 km), using main motorways and highways. Containers are transferred to rail for transport to German sea ports. A high-level risk review determined the intermodal route was safer than road transport alone.

Draslovka assess, select and document road routes on behalf of Jiko Trans, Kochman Trans and M+L Logistik with Metrans doing the same for HAMR, Brass and Autotransport Benda. Both consider factors such as population density, road conditions, and crossings. They review and select the safest route annually, with ongoing monitoring and driver feedback. Issues are reported and addressed, with routes adjusted if necessary. Drivers are aware of the selected routes and hazards. Each year a review is required to determine if the route risk assessments require updating. Drivers from each of the road transporters were interviewed and confirmed that they are aware of and follow the selected transport routes and are aware of the hazards identified.

Stakeholders, including communities and governmental agencies, provide input on route selection and risk management. Despite the short route, Draslovka and Metrans monitor community and stakeholder websites for accidents and roadworks, making necessary adjustments.

Draslovka uses six road transporters, two rail terminals, two rail operators, and two transport consultants. All companies receive details about ICMI requirements, emergency plans, and routes. Drivers receive specific training on cyanide hazards, safe handling, and emergency procedures, along with route details and emergency contacts. Draslovka provides annual refresher training and reviews each party yearly.

Draslovka report that there are no special safety or security concerns currently with the supply chain route and this was confirmed by all other parties.

Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Cargo and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, where appropriate select cyanide transport routes to minimize the potential for accidents and releases.

Transport Practice 1.2: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.2? Explain the basis for the finding.**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Transport Practice 1.2**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with 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.

All road transporters use only trained and qualified and licensed operators. Evidence including vehicle licences, ADR training, cyanide and emergency plan training was provided by Draslovka and all road transporters including Jiko Trans, Kochman Trans, M+L Logistik, Autotransport Benda, HAMR ART and Brass Bedura. Licences and training documents were reviewed for all road transporters drivers used in cyanide transportation and observed to be valid.

Draslovka forklift truck drivers who load the cyanide into the containers also provided their licences and training documentations which was also observed to be valid.

A sample of road transport drivers and Draslovka's forklift truck drivers were also interviewed about their knowledge of the procedures and practices involving cyanide and provided good responses indicating effective knowledge and experience and indicated that they were competent to perform their jobs in a manner that minimises the potential for cyanide releases and exposures.

The training programme for road transport drivers includes the following modules:

ADR (Dangerous Goods Driving) and emergency response;

Cyanide Hazard Awareness and Emergency Response (includes hazards, PPE, general rules of handling cyanide, first aid, basics, procedures, emergency procedures, basic introduction of cyanide, ICMC certification and requirements, how packed, how used, transport and labelling, emergency equipment, antidote use).

Each party maintains records of the training provided.

Draslovka ensures (through review) that the road transport companies use only licensed and trained staff. Draslovka also reviews each party every year and provides refresher training each year.

Of the six road transporters only one (Jiko Trans) uses a small number of selected sub-contractor drivers for cyanide transportation. These are named and included in all the training and in-company checks of licences and ADR training as noted above.

Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Cargo and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

Transport Practice 1.3: Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.3? Explain the basis for the finding.

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Transport Practice 1.3**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Transport Practice 1.3; ensure that transport equipment is suitable for the cyanide shipment.

The transport company only uses equipment designed and maintained to operate within the loads it will be handling.

Equipment used to transport cyanide loads by road consists of road vehicles (tractor units and trailers) that were purchased to a design specification appropriate for the cyanide transport task and confirmed by representatives of the road transporters and Draslovka. These include main tractors with articulation and trailers which can carry only one container. All road transporters used provided government registration certificates for tractor units and trailers confirming the maximum load they could carry. Tractor units were all capable of carrying loads of between 44 tonnes and 50 tonnes and trailers were capable of carrying between 39 tonnes and 44 tonnes. These registered limits are more than sufficient to carry the cyanide loads. A container with 20 one tonne cyanide packages weighs just under 24 tonnes including packaging and container weight. Similarly, 414 fifty kilogramme drums are transported in a container giving a total weight with packaging and container of just under 24 tonnes.

Czech legal road requirements set a 48T maximum weight limit. Draslovka uses 20 foot containers for one tonne boxes and 40 foot containers for 50kg drums, both of which result in a total load just below 24 tonnes (20 tonnes of cyanide plus packaging). Draslovka weighs containers before and after loading to ensure that the vehicle is below the legal limits and example Bill of Delivery documents which include weigh bridge information, confirm that total weights are well below the legal maximum allowed and are also within the truck and trailer weight limits.

All road transporters (Jiko Trans, Kochman Trans, M+L Logistik, Autotransport Benda, HAMR ART and Brass Bedura) in addition to Draslovka have provided evidence that the equipment used is registered by the government and that annual inspections are completed in accordance with government requirements.

For all road transporters, cyanide is loaded into sea containers within sealed containers (drums or IBCs) and the loads are then secured inside the container and inspected by Draslovka and the drivers. Check lists from all road transport companies and Draslovka are completed and examples were reviewed for all road transporters. Cyanide containers are inspected before and after loading at the rail ports by Metrans and Star Containers. Road transporters also check the load before and after loading. Any issues identified and the cyanide will not be transported.

Service plans were observed for all of the road transporters. In addition, maintenance history examples (shown in vehicle logbooks and available in electronic form at the road transporter offices) are kept with each vehicle. Vehicles are maintained by main dealer suppliers (including Volvo, MAN and DAF). In addition, each year vehicles (trucks and trailers) are required to complete a legal inspection. Examples of these legal inspections were reviewed at each of the road transporters.

Dralsovka's forklift trucks are also inspected on a daily basis and undergo annual maintenance and inspection by the manufacturer. The vehicle registration documents show that they can carry loads of up to 1.6 tonnes, and carry a maximum of 1 tonne IBCs plus packaging (<1.1 tonnes).

Procedures are in place to verify the adequacy of the equipment for the load it must bear. With a review of registration documents confirming that the trucks and trailers are suitable to carry the cyanide loads required. All parties also carry out a check of the vehicle and trailer/container.

Overloading of the transport vehicles is prevented by following the Draslovka system which limits the amount of cyanide that can be loaded onto the trailers to 20 one tonne packages (20 foot trailer) and 414 fifty kg packages (40 foot trailer) and this is checked during loading and confirmed at the weighbridge, with weighbridge

documents provided with each shipment. Weights are also assessed at the rail ports whose systems refuse to accept loads if overloaded.

Inspections are carried out daily during transport and examples from convoys were observed during the audit.

The transport company has a procedure in place to ensure its sub contractors are in compliance with elements of Transport Practice 1.3 as noted in the above sections.

Draslovka ensures that all parts of the supply chain are informed of their requirements under the Transport Practice requirements and review these periodically.

Of the six road transporters used only Jiko Trans use sub-contractors and these are treated in the same way as the own drivers in that they have to provide all documents confirming vehicles and drivers conform to Transport Practice requirements and that they receive the same cyanide, emergency planning and ADR training. Examples of these were reviewed on site.

Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Cargo and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, ensure that transport equipment is suitable for the cyanide shipment.

Transport Practice 1.4: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.4? Explain the basis for the finding.**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Transport Practice 1.4**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Transport Practice 1.4; and develop and implement a safety program for transport of cyanide.

Draslovka selects all members of its supply chain including road transporters, rail depots and rail carriers and sea ports to ensure that they have experience in handling dangerous goods including cyanide. Road transporters are also provided with training in Cyanides (including handling and emergency procedures) by Draslovka.

The route risk assessments (completed by Draslovka and Metrans) ensure routes are selected to minimise damage to vehicles and transported cyanide. The routes are relatively short and along good quality roads.

Vehicles and trailers used by the road transporters are designed, maintained and inspected to carry the loads safely. Inspections carried out by Draslovka and the road transporters at the start of the journey ensure that the integrity of the producer's packaging is maintained.

Vehicles carrying cyanide are also tracked by road transporters using GPS system (various systems by each road transporter). Monitoring is maintained and the drivers also carry mobiles and in the event of an issue Draslovka are informed.

The road transporters also have to carry an ADR (International Carriage of Dangerous Goods by Road) Safety Plan by law. The requirements of this are the same as in the (Draslovka Cyanide) Emergency Plan in that they

have to call the National Emergency Services. The Drivers also carry the (Draslovka Cyanide) Emergency Plan and this was confirmed through inspection of vehicles and interviews with drivers.

Placards and signage are used to identify the shipment as cyanide and are as required by local regulations or international standards. Signage is placed on all shipping cyanide boxes, drums and on the outside of the shipping containers.

Example check lists from Draslovka and all road transporters confirmed that the presence of placards/signs is checked before transportation commences.

An inspection of vehicles at the Draslovka site during loading also confirmed that these signs are in place (along with photographs of historic loading events where photographs are routinely taken).

Rail depots (Metrans and Star Containers) also check containers on arrival at the site.

The placards used on containers, include:

- UN (United Nations) Numbers; and
- Hazchem classification.

The presence of each sign is checked at the port and during the journey. Placards (which are normally closed when not in use) are also present on the trucks and trailers and are opened up so visible when carrying cyanide loads.

The safety program implemented by the transporters includes the following:

Vehicle inspections are completed by Draslovka and all road transporters during loading and prior to shipping and example check lists have been observed.

Draslovka has implemented a preventative maintenance program through its road transporters who have service plans in place for vehicles and trailers which have been observed.

Limitations on operator driver hours are managed by each road transporter. Journeys between Draslovka and both rail terminals are relatively short (<100km). Vehicles are fitted with GPS systems which track operational hours which are reviewed driver on a frequent basis.

Solid cyanide is loaded into the sea containers by Draslovka according to a pre-determined plan, then sealed and fixed in the container. Containers locks are inspected during loading.

Draslovka would be notified if any concerns arose (e.g. civil unrest or weather) and the situation would be discussed between supply chain members. Any such issues would be recorded.

Draslovka has a drug and alcohol abuse prevention program and has confirmed that they implement random testing. Some of the road transporters also undertake their own drug and alcohol testing program and examples were seen of test results.

Records are maintained and inspected for all relevant parts of the safety program.

The transport company has procedures in place to ensure that its sub-contractors are aware of the Code requirements related to relevant activities required in Transport Practice 1.4 and transport of cyanide has to be completed in compliance with the requirements of the cyanide code transport practices as written in contracts. Sub-contractors are also provided with training in cyanide transport and emergency response.

Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Cargo and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal

Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, develop and implement a safety program for transport of cyanide.

Transport Practice 1.5: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.5? Explain the basis for the finding.**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Transport Practice 1.5**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Transport Practice 1.5 is not applicable as the transporter does not ship cyanide by air or by sea within this supply chain.

The Supply Chain ends at the relevant Port in Germany before transport of cyanide by sea. This Transport Practice is therefore not applicable to this supply chain.

Transport Practice 1.6: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 1.6? Explain the basis for the finding.**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Transport Practice 1.6**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Transport Practice 1.6; track cyanide shipments to prevent losses during transport.

Transport Vehicles have the means to communicate with the transport companies, Draslovka and Emergency Responders and through them to the mining operation. Drivers for all road carriers carry mobile phones and driver's packs which have details of contact numbers for an emergency, for Draslovka, as well as their own road transport company.

Check lists are used to confirm that the drivers carry phones and carry the driver's packs and examples of completed check have been observed.

All vehicles are also fitted with a GPS system (which were inspected at each of the road transporters) and allow constant monitoring of cyanide transport. There are no black spots for the GPS or mobile phone system for the routes that Draslovka is currently involved with. Communication equipment is regularly tested to ensure that it functions correctly.

There are systems and procedures in place to enable the tracking of progress of cyanide shipments including post load inspection of the vehicles (by Draslovka and the road transporter drivers), active GPS tracking of transport during the route from pick up to delivery (with flagging at entry to Draslovka and at the rail terminal) by all road transporters, and use of mobile phones to confirm arrival at Draslovka and at the rail terminal and for use in emergency.

In addition, documents are prepared at the start of the transportation by Draslovka including Bill of Delivery, CMR (International Goods Transport Consignment Note), IMO Dangerous Goods Declaration, and Draslovka weighbridge documents of transport, used to prevent the loss of cyanide during shipment. Draslovka also advise the mine, ports and shippers when shipments leave the departure point and estimated time and date of arrival of the consignment.

Shipping records and Materials Safety Data Sheets are available during transport. These documents are presented at each stage of the transport route and indicate the mass of the load carried and confirm serial numbers for seals. Examples of these documents have been observed.

Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Cargo and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, track cyanide shipments to prevent losses during transport.

5.0 PRINCIPLE 2 – INTRIM STORAGE

Design, construct and operate cyanide trans-shipping depots and interim storage sites to prevent releases and exposures.

Transport Practice 2.1: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 2.1? Explain the basis for the finding.**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Transport Practice 2.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

Transport Practice 2.1 is not applicable as Draslovka does not undertake any interim storage of cyanide under this supply chain.

6.0 PRINCIPLE 3 – EMERGENCY RESPONSE

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

Emergency Response Practice 3.1: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 3.1? Explain the basis for the finding.**

☒ **in full compliance with**

The operation is ☐ in substantial compliance with **Transport Practice 3.1**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Transport Practice 3.1; prepare detailed emergency response plans for potential cyanide releases.

Draslovka has an Emergency Response Plan. The emergency response plan includes an overarching emergency plan and guidelines for dealing with cyanide releases (for the emergency team at Draslovka). This plan is shared with the road and rail transporters and rail terminals (Metrans, Hamr, Autotransport Benda, Brass, CD Cargo, Jiko Trans, Kochman Trans ad M+L Logistik) and Seabridge and Czecholslovak Ocean Shipping (COS) who carry these documents during cyanide transportation and whose staff are provided with emergency plan training.

The German Sea Ports (Bremerhaven, Hamburg and Wilhemshaven) have their own emergency plans which are discussed in Section 3.

In addition to the Draslovka Emergency Response Plan, all road transporters legally have to carry an ADR (Dangerous Goods Transport) Emergency Plan in accordance with Section 1.10.3.2 of the European ADR Regulations (Directive 2008/68/EC). The requirements of this plan are not in conflict with the Draslovka Emergency Response plan. These plans were observed whilst at each road transportation company.

Draslovka's emergency plan is considered appropriate as noted below:

The Draslovka Emergency Plan states that transport includes road and rail transport and transfer at the rail terminals and sea ports, which are part of this supply chain.

The Emergency Response Plans states specifically that solid sodium and potassium cyanide will be transported.

For this supply chain the transport methods include road transport and rail transport as well as transfer at rail terminals and sea ports. These are all mentioned in Draslovka's Emergency Plan.

The plans consider all aspects of the transport infrastructure relevant to Draslovka's activities which involve transfer of solid sodium and potassium cyanide from the Draslovka site to the sea ports.

Transport by road is subject to route risk assessments (which is mentioned in the emergency plan) which assess the hazards on possible routes and covering all road transporters. These are completed by Metrans (for Hamr, Autotransport Benda, Brass) and by Draslovka (for, Jiko Trans, Kochman Trans and M+L Logistik).

The emergency response plan states the vehicles used are trucks with twenty or forty feet long containers. The emergency plan also state that solid sodium or potassium cyanide is packed by the cyanide manufacturer in IBCs or drums which are secured for transportation. The container door is noted to the rear.

The Emergency Plan includes descriptions of response actions as appropriate for anticipated emergency situations.

The Draslovka Emergency Response Plan states that the immediate actions for any incident involving cyanide are to ensure the driver is safe (distance, location and use of RPE/PPE) and contact the emergency response services who will take over management of any release.

The Draslovka Emergency Response Plan and associated instructions consider a number of emergency situations. These are for incidents within the Draslovka site where the site's full time emergency response team will carry out the actions. We also note that the Draslovka full time emergency response team can be called upon by the National Emergency Response team to deal with cyanide incidents across the Czech Republic (and also have a similar role for parts of Germany and Slovakia).

The actions include General Precautions for Handling Cyanide, First Actions of Personnel at the Scene, Dry Sodium/Potassium Cyanide Leakage in a Confined Space, Dry Sodium/Potassium Cyanide Leakage in the Open, Leakage and Handling of Liquid Sodium/Potassium Cyanide, Cleaning and Decontamination, Health Hazards, and Symptoms of Cyanide Poisoning.

The plans and instructions are appropriate for the potential release scenarios along the route.

The Plan does identify the roles of outside responders and medical facilities in emergency response procedures.

The emergency plan includes an immediate action plan in the event of an incident and involves the calling of the national emergency numbers. The role of the medical providers is noted within the plan. In the Czech Republic and Germany national emergency services (medical, fire and police) would manage the situation at this point and the supply chain team and local communities would be advised of any actions directly from them.

Details of roles for police, firefighters, medical services and the Draslovka Emergency team are identified within the plans. The Draslovka emergency response team are a full-time team with significant experience in dealing with incidents involving cyanide and can be called upon by the National Emergency Response team in Czech Republic (and in pars of Germany) to provide support. Their role is noted in the Emergency Plan.

Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Cargo and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, prepare detailed emergency response plans for potential cyanide releases.

Emergency Response Practice 3.2: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 3.2? Explain the basis for the finding.**

The operation is

☒ **in full compliance with**

☐ in substantial compliance with **Transport Practice 3.2**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Transport Practice 3.2; designate appropriate response personnel and commit necessary resources for emergency response.
The transporter provides initial and refresher emergency response training for appropriate personnel. Draslovka provides training on cyanide including the Emergency Plan and mock drills to road transporters. This training is to be refreshed each year and this commitment is stated within Draslovka's Guidelines for ICMI Certification. The training slides were provided for review and covered all the areas required by the code and including emergency response.
Interviews were conducted with Draslovka and a selection of drivers from all road transport staff which demonstrated they are appropriately trained and had a good understanding of actions in the event of an emergency.
ADR (Dangerous Goods transport) training is also completed by road transport drivers every 5 years and examples of ADR training cards were inspected for all road transporters.
The Emergency Response Plan identifies the key roles and responsibilities in the event of an emergency for the following positions:

- Drivers
- Emergency Responders (police, firefighters, medical team)
- Draslovka Emergency Response Teams

During interviews with Draslovka and road transport drivers from all road transporters in the supply chain (HAMR ART, Autotransport Benda, Brass, Draslovka, Jiko Trans, Kochman Trans and M+L Logistik), were asked about their roles in an emergency and the answers were consistent with the procedures.

There is a list of all emergency response equipment that should be available during transport or along the transportation route. For the road transporters the equipment is listed within the Draslovka Emergency Plan. The same equipment was also observed to be listed in the road transporters ADR (Dangerous Goods Transport) safety plan. The emergency equipment included coveralls, protective gloves, protective glasses, cartridge based respirator with ABEK (protection against organic vapours, inorganic vapours, acid gases, ammonia and its derivatives) filters, covers, explosion proof (EX) approved flash lights, plastic sheet, drain cover and shovel. Check lists are used at the start of each transport and the equipment is checked at this time. Examples of this were seen for all road transporters.
The transporter has the necessary emergency response and health and safety equipment, including personal protective equipment available during transport. Examples of the equipment held by drivers from each of the road transporters was also observed during site visits.
Check lists are used at the start of each transport and the equipment is checked at this time. Examples of this were seen for all road transporters.
Draslovka's Fire & Emergency Team are a full-time professional fire and emergency response team and are called upon to support the national emergency response team for specific incidents (including dealing with cyanide spills). Their equipment is significant and includes fire engines and support vehicles, containment and treatment equipment, full protective suits and breathing apparatus (of various grades) and monitoring equipment. All equipment is maintained, calibrated and checked frequently in accordance with procedures and manufacturer's instructions. The equipment was inspected during the site visit to Draslovka.
Procedures have been implemented for the inspection of emergency response equipment and to assure its availability when required as indicated in 3.2.3.
Drivers inspect their emergency equipment each day and example check lists were observed for all road transporters during the site visits.
The Draslovka Emergency response team also inspect their equipment regularly and examples of these check lists were inspected. In addition, their fire equipment and procedures are also inspected by the Fire Services of Bohemia every 3 years and was last inspected
The transport company has clearly delineated the roles and responsibilities of its sub-contractor during an emergency response situation.
Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Cargo and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, designate appropriate response personnel and commit necessary resources for emergency response.

Emergency Response Practice 3.3: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 3.3? Explain the basis for the finding.**

The operation is

☒ **in full compliance with**

☐ in substantial compliance with **Transport Practice 3.3**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Transport Practice 3.3; develop procedures for internal and external emergency notification and reporting.

There are procedures and current contact information for notifying the shipper, receiver/consignee, regulatory agencies, outside response providers, medical facilities and potentially affected communities in the event of an emergency.

Draslovka has an Emergency Response Plan which details the contact numbers which are the relevant national emergency numbers for emergency response providers. All contact details are reviewed at least annually as stated in the Emergency Response Plan.

Draslovka would contact the relevant Port, and the Mine site in the event of an emergency. All road transporters, rail terminals and rail transporters and sea ports have the responsibility to notify Draslovka in the event of an incident after contacting the national emergency number. Outside emergency response providers including police, fire service and local hospitals are contacted through the national emergency number which is stated in the Emergency Response Plan.

The National emergency number (in the Czech Republic and Germany) is 112 and it is unlikely that this number will change and if it does there is likely to be widespread notification in advance of the change. The Emergency plan is reviewed and updated each year and this includes a review of the emergency contact numbers.

Drivers are also provided with the emergency transport contact sheet with current contact numbers just prior to each trip. These were observed for each road transporter during the interviews with drivers.

The transporter has a procedure (emergency plan) for notifying ICMI of any significant incidents. Details of the communication requirements in the event of an emergency are presented in the Draslovka emergency response plan.

Road transporters would contact Draslovka of any incident as indicated in the Draslovka emergency response plan and as also indicated in emergency plan training provided by Draslovka to each road transporter and the rail terminals and rail transporters. Draslovka would then prepare a full report including collation of activity reports, daily worksheets and logs and inform ICMI. The operation's communication chart includes ICMI contact details.

Interviews with road transporters confirmed that they are aware of the communication requirements in the events of an incident.

There have been no cyanide related emergencies in 2024.

Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Cargo and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, develop procedures for internal and external emergency notification and reporting.

Emergency Response Practice 3.4: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 3.4? Explain the basis for the finding.**

	☒ **in full compliance with**	
The operation is	☐ in substantial compliance with	**Transport Practice 3.4**
	☐ not in compliance with	

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Transport Practice 3.4; develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

There are procedures for remediation, which are detailed within Draslovka's Emergency Guidelines that are provided to all of the parties within the Draslovka supply chain. This information is also covered in the emergency response training provided to all road transporters.

The Draslovka Emergency Plan and Guidance identify actions to be considered depending on the incident, location and weather conditions. Immediate actions area identified.

They also provide details which guide the clean-up spills process. It is noted that in the case of significant spill events the regulatory authorities will take over such activities.

The plan also identifies external responders who would provide support in the event of an incident.

The procedures prohibit the use of chemicals such as sodium hypochlorite, ferrous sulphate and hydrogen peroxide to treat cyanide that has been released into surface water. In addition, it was confirmed in interviews that training provided to all road transporters reinforces the requirement that such chemicals cannot be used to treat the cyanide.

Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Cargo and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

Emergency Response Practice 3.5: **Is the operation in full compliance, substantial compliance, or non-compliance with Transport Practice 3.5? Explain the basis for the finding.**

The operation is

☒ **in full compliance with**

☐ in substantial compliance with **Transport Practice 3.5**

☐ not in compliance with

Summarise the basis for this Finding/Deficiencies Identified:

The operation is in full compliance with Transport Practice 3.5; periodically evaluate response procedures and capabilities and revise them as needed.

Every year the Emergency Response Plan and Emergency Guidelines are reviewed. This requirement is stated within the Emergency Response Plan.

Mock drills are performed annually by Draslovka and are completed the same time as the cyanide awareness training provided by Draslovka to road transporters. The requirement for completing mock drills is also stated within Draslovka's emergency plan.

The last mock drill was provided by Draslovka on 1/12/2023 and was attended by Draslovka (including their Emergency Response Team who managed the mock drill exercise). The mock drill was attended by several

road transporters and the mock drill was recorded and a video of the mock drill provided to the remaining road transporters the following week.

There is a procedure to evaluate the performance of the emergency response plan after its implementation.

There have been no cyanide related emergencies since Draslovka became a signatory for this supply chain in 2023.

Due diligence by Draslovka confirmed that rail terminals (Star Container, Metrans), rail operators (CD Cargo and Metrans) and German sea ports (Port of Bremerhaven terminals - Eurogate, North Sea Terminal Bremerhaven (NTB) and MSC; Port of Hamburg container terminal - Eurogate, and Container Terminal Altenwerder (CTA); and Port of Wilhelmshafen container terminal - Eurogate, periodically evaluate response procedures and capabilities and revise them as needed.

Signature Page

Whatton Consulting Limited

Dale Haigh
Lead Auditor

Date: July 2024

Whatton Consulting Limited