

Whatton Consulting Limited

**REPORT**

*DRASLOVKA – Czech Republic Supply Chain No 2 – Sea Shipping from Ports in Germany to Sea Ports in Turkey*

**ICMI CERTIFICATION SUMMARY REPORT**

Submitted to:

**International Cyanide Management Institute (ICMI)**

1400 I Street, NW - Suite 550

Washington, DC 20005

UNITED STATES OF AMERICA

Submitted by:

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Summary Report

June 2024

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# Table of Contents

<b>1.0</b>	<b>SUMMARY AUDIT REPORT FOR CYANIDE TRANSPORTATION OPERATIONS .....</b>	<b>1</b>
<b>2.0</b>	<b>OVERVIEW .....</b>	<b>1</b>
<b>3.0</b>	<b>SUMMARY AUDIT REPORT .....</b>	<b>4</b>
<b>4.0</b>	<b>PRINCIPLE 1 – TRANSPORT .....</b>	<b>5</b>
<b>5.0</b>	<b>PRINCIPLE 2 – INTRIM STORAGE .....</b>	<b>8</b>
<b>6.0</b>	<b>PRINCIPLE 3 – EMERGENCY RESPONSE .....</b>	<b>8</b>

## 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 Vokněř

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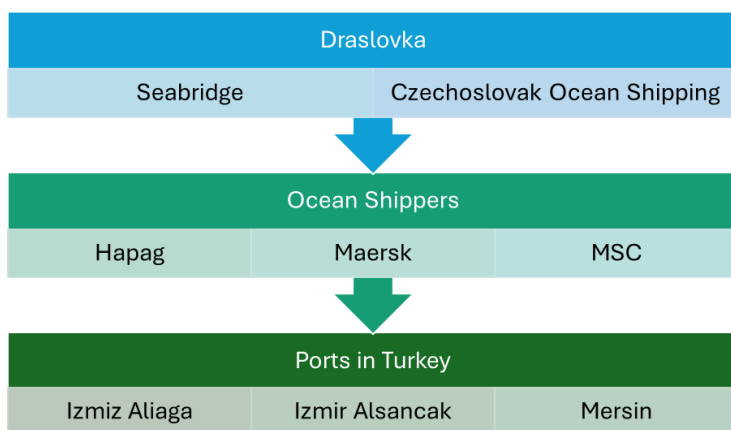
## 2.0 OVERVIEW

This report focuses on Draslovka's Supply Chain 2, transport of Cyanide **after** its arrival at the German Sea Ports in Bremerhaven (Eurogate, Mediterranean Shipping Company (MSC) and North Sea Terminal Bremerhaven (NTB)), Hamburg (Eurogate and Container Terminal Altenwerder (CTA)) and Wilhelmshaven (Eurogate) and once the containers are transferred to Ships. Draslovka will use sea transport by Hapag Lloyd (HL), MSC and Maersk. Draslovka are supported by Seabridge Transport and Czechoslovak Ocean Shipping (supply chain management) who will oversee the ordering process, but Draslovka will retain all of the Consignor duties under the Transport Practice.

The containers will be shipped to ports in Turkey including Port Izmir Aliaga, Port Izmir Alsancak and Port Mersin who are also part of this supply chain.

Once in Turkey the containers will be transported to relevant mine sites by International Cyanide Management Institute (ICMI) certified transporters only (which currently includes To-Pet and Zafer Tank – not part of this supply chain). The road transport inside Turkey is outside the scope of this supply chain.

The supply chain is summarised below.



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

Draslovka may also consider additional ports and routes in the future. If these are used, they will develop appropriate systems in advance of transportation taking place.

The following parties are involved in the routes from Draslovka to the German sea ports:

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 ICMC certified as a producer. Draslovka will act as the Consignor for the supply chain and manage all of the Consignor duties required by the Cyanide Transportation code.

2) Seabridge Transport; Czech Republic

Seabridge Transport (Seabridge) undertake supply chain management and support Draslovka in arranging shipments and managing some of the Consignor duties. 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) undertake supply chain management and support Draslovka in arranging shipments and managing some of the Consignor duties. Whilst COS takes on some of the Consignor duties, all Consignor duties with responsibilities within the ICMI 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 (ICMC). COS does however provide tracking of containers throughout this supply chain.

4) Hapag Lloyd

Hapag Lloyd (HL) are an ocean carrier. They will carry cyanide containers from ports in Germany at Bremerhaven (Eurogate, MSC and NTB), Hamburg (Eurogate and CTA) and Wilhelmshaven (Eurogate).

#### 5) Maersk

Maersk is an ocean carrier. They will carry cyanide containers from ports in Germany at Bremerhaven (Eurogate, MSC and NTB), Hamburg (Eurogate and CTA) and Wilhelmshaven (Eurogate).

#### 6) MSC

MSC is an ocean carrier. They will carry cyanide containers from ports in Germany at Bremerhaven (Eurogate, MSC and NTB), Hamburg (Eurogate and CTA) and Wilhelmshaven (Eurogate).

#### 7) Izmir Aliaga Port, Turkey

The Port of Izmir Aliaga (Socar) will be used to accept cyanide containers from ships and transfer them to ICMC certified road transport vehicles for onward transport to relevant mine sites in Turkey (not part of this supply chain).

#### 8) Izmir Alsancak Port, Turkey

The Port of Izmir Alsancak will be used to accept cyanide containers from ships and transfer them to ICMI certified road transport vehicles for onward transport to relevant mine sites in Turkey (not part of this supply chain). The Port of Izmir Alsancak is located in the western part of Turkey on the coast of the Aegean Sea. It is owned by the Turkish State Railways and has excellent connection to the railway network. The connection to the highway network is close to the port.

#### 9) Mersin Port, Turkey

The Port of Mersin in Turkey will be used to accept cyanide containers from ships and transfer them to ICMI certified road transport vehicles for onward transport to relevant mine sites in Turkey (not part of this supply chain).

Draslovka are contracted by mine sites 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 under Draslovka's Supply Chain No 1 where they are loaded onto Ocean carriers. Seabridge and COS support Draslovka with logistics and ordering (under strict requirements to comply with the ICMI Code and set out in service contracts with Draslovka).

Draslovka's Code responsibilities (within this supply chain) commence on arrival of the cyanide at the Ocean carrier's vessel in the relevant German port. The supply chain ends once the containers are delivered to the ports in Turkey. Transport from the sea ports in Turkey will be completed by ICMI certified road transporters.

Due diligence by Draslovka confirmed that Sea carriers (Hapag Lloyd, Maersk and MSC), and Turkish Ports (Port of Izmir Aliaga (Socar), Port of Izmir Alsancak and the Port of Mersin) in this supply chain carry out transport activities in accordance with the Code requirements.

### 3.0 SUMMARY AUDIT REPORT

#### Auditors Findings

- 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](mailto: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		
<u>Name of Facility</u>	<u>Signature of Lead Auditor</u>	<u>Date</u>
Draslovka, Czech Republic		June 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.

Draslovka has completed an assessment of potential routes between Draslovka and the Turkish sea ports. Sea carriers (Maersk, MSC and Hapag Lloyd) and Turkish sea ports (Izmir Aliaga, Izmir Alsancak and Mersin) were identified and assessed relative to the Code requirements.

A review of the due diligence information provided by Draslovka confirms that the Sea Ports, equipment, systems and personnel have been reasonably evaluated and that necessary management measures have been implemented.

Draslovka has implemented and documented a procedure to evaluate the risks of selected cyanide transport routes and has taken measures to manage these risks and have confirmed that they would re-evaluate their selected routes annually including in line with their procedure and including selected sea carriers and arrival ports in Turkey.

Draslovka considers feedback in its selection of routes for this supply chain by review of relevant web sites and communication with each party within the supply chain.

No specific safety or security concerns were identified to be associated with this supply chain. It is also noted that based on the due diligence information, the ports and sea carriers undertake safety and security protection measures.

Draslovka has subcontracted transport activities to sea carriers and ports in Turkey. All parties in the supply chain are aware of the hazards associated with transporting Dangerous Goods and based on the due diligence information provided by Draslovka have appropriate systems in place to ensure the safe storage, handling and transport of cyanide.

**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.

The transport company only uses trained, qualified and licensed operators to operate its transport vehicles. Due diligence reports provided by Draslovka for all parties involved in this supply chain confirm that where operators handle cyanide packages they are provided with relevant training and/or hold relevant qualifications. Draslovka has completed due diligence on the parties involved in this supply chain and confirms they are aware of the code requirements.

**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.

Draslovka has completed due diligence on the parties involved in this supply chain which confirms that they use equipment that is suitable for the loads they carry and are inspected and maintained and comply with their local regulatory requirements.

Draslovka has made the parties involved in this supply chain aware of the applicable code requirements and the due diligence information collected by them confirms that these parties comply with the code requirements of them using only suitable equipment for 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; develop and implement a safety program for transport of cyanide.

Draslovka follows written procedures to ensure that the cyanide is transported in a manner that maintains the integrity of the producer's packaging. Draslovka's due diligence information confirms that the supply chain parties have systems and procedures in place to ensure that the cyanide is transported in a manner that maintains the integrity of the producer's packaging.

Due diligence information collected by Draslovka confirms that inspection is carried out along the transport route by its supply chain parties to ensure it is compliant with system and regulatory requirements.

Draslovka has completed due diligence checks of its supply chain and confirmed that its supply chain has a safety program in place.

Draslovka has made the parties involved in this supply chain aware of the applicable code requirements and the due diligence information collected by them confirms that these parties comply with the code requirements relating to them having a safety program.

**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 applicable for the transport of cyanide by ship. Due diligence information collected by Draslovka confirms that all parties follow the international code for the maritime transport of dangerous goods (IMDG) requirements.

**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.

Vehicles have the means to communicate with the transport company, the mining operation, the cyanide producer/distributor and emergency responders.

Draslovka has completed due diligence assessment and confirmed that all parties in the supply chain have appropriate communication equipment, up to date lists of emergency contacts and plans for communication in the event of an incident, and that all parties in the supply chain have appropriate checks on communication. Communication blackout areas have not been identified in the routes that Draslovka will use.

Draslovka has completed a due diligence assessment of its supply chain parties and this confirms that all parties have systems or procedure to track cyanide shipments.

The transporter uses inventory controls and chain of custody documentation to prevent the loss of cyanide during shipment. Shipping records indicate the amount of cyanide in transit. Materials Safety Data Sheets are also available during transport as confirmed by Draslovka.

Draslovka has completed due diligence on the supply chain parties which confirms they are aware of and comply with the Code requirements 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 applicable

#### 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.

Due diligence by Draslovka confirms that Ports have the potential for appropriate temporary storage (although none is planned) and that they have appropriate systems in place which comply with the requirements to store cyanide in a manner that minimises the potential for accidental releases.

## 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.

Due diligence by Draslovka confirms that all the supply chain parties have an emergency response plan which are considered appropriate.

The plans include descriptions of response actions as appropriate for anticipated emergency situations and identify the roles of external responders where appropriate.

Due diligence by Draslovka confirms that all the supply chain parties have prepared 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 **Transport Practice 3.2**  
 in substantial compliance with  
 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.

Draslovka provides training on cyanide including the Emergency Plan and mock drills to Seabridge and Czechoslovak Ocean Shipping. 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.

Due diligence by Draslovka indicates emergency response training is provided by all of its supply chain parties. Descriptions are provided of specific emergency response duties and responsibilities of personnel.

Due diligence reports provided by Draslovka indicate emergency response equipment is listed by the ports and have the necessary emergency response and health and safety equipment including personal protective equipment.

Due diligence by Draslovka confirms that all the supply chain parties delineated their roles and responsibilities during an emergency response situation.

Due diligence by Draslovka confirms that all the supply chain parties 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 **Transport Practice 3.3**  
 in substantial compliance with  
 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.

Due diligence by Draslovka has confirmed that sea shippers and ports for this supply chain hold appropriate procedures and current contact information in the event of an emergency.

For shipping companies, if any emergency situation occurs on board the response is dependent on the position of the ship: when berthing they are under the authorization of the respective port authorities, when afloat they

are under the sovereignty of the captain / master of the vessel. In each case the contact information to Draslovka is available.

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.

Due diligence by Draslovka has confirmed that all parties in this supply chain have developed appropriate 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.**

**The operation is**  in full compliance with **Transport Practice 3.4**  
 in substantial compliance with  
 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.

Draslovka has 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.

Due diligence by Draslovka has confirmed that all parties in this supply chain hold procedures for remediation.

Draslovka's emergency response guidelines state specifically that "Use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide once it has entered surface waters is both counter-productive and of limited effectiveness. This Emergency Response guidance specifically prohibits their use in surface water".

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

Draslovka has provisions for periodically reviewing and evaluating the adequacy of the Emergency Plans and they will be implemented.

Port and Sea transporters were assessed during a due diligence exercise completed by Draslovka and confirmed that plans are in place and are reviewed either periodically or in the event of findings from an incident or drill.

Due diligence by Draslovka has confirmed that all parties in this supply chain periodically conduct emergency drills.

# Signature Page

**Whatton Consulting Limited**

A handwritten signature in black ink, appearing to read 'D Haigh', written in a cursive style.

Dale Haigh  
Lead Auditor

Date: June 2024

Whatton Consulting Limited