

# PRE-OPERATIONAL CERTIFICATION

## SUMMARY AUDIT REPORT

### Operation General Information

Name of Cyanide Transportation Facility: Interport Logistic Hub Surabaya

Name of Facility Owner: Djuniardi Christanto

Name of Responsible Manager: Wahyu Widodo

Address: Gudang 300 Mirah, Jalan Perak Barat, Krembangan, Kec. Pabean  
Cantikan, Surabaya

State/Province: East Java

Country: Indonesia

Telephone: (+62) 21 50711111

E-Mail: Wahyu.widodo@interport.co.id

### Operation Location Detail and Description

Scope of Verification Audit (in accordance with International Cyanide Management Institute – Cyanide Transportation Verification Protocol for the International Cyanide Management Code dated June 2021)

PT Pusat Sarana Baruna (PSB) is using cyanide transportation to PT BSI Mine as pre-operational scope of supply chain covers land transportation from Surabaya Port to Banyuwangi. PSB contract entity Indika Multi Niaga (IMN) and assigned outsourced transport entity to conduct land transportation.

Name of Operation: PSB

Date: 5 Nov 2024

*Danny Tan*

Signature of Lead Auditor  
& Technical Expert

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## 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: 11 to 14 Sep 2024

### **Auditor Attestation**

I attest that I meet the criteria for knowledge, experience and conflict of interest for a Cyanide Code Certification Audit Lead Auditor, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management Institute for Code Certification Auditors.

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

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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:*

PSB conducted a thorough route assessment in alignment with IMU-CORP-HSE-PR-054 Rev 00 (Cyanide Transportation Management Plan) and IMU-CORP-HSE-FO-256 Rev 0 (Cyanide Transportation Road Hazard Assessment Form, dated October 2, 2024). This assessment included an onsite evaluation of the route risk associated with transporting cyanide to the PT BSI mine, focusing on land transportation from Surabaya Port to Banyuwangi.

The review of the risk assessment for the PT BSI mine, supported by documented information and onsite verification, prioritized the selection of routes that minimize potential accidents and their associated impacts. Key considerations included:

- a) Population density (Industrial and Residential Areas)
- b) Infrastructure (condition and construction of roadways, railways, and ports)
- c) Road pitch and grade (including highway and bridge specifications)
- d) Proximity and prevalence of waterways (rivers)

There is process in place whereby the transporter seeks input from communities, other stakeholders and applicable governmental agencies as necessary in the selection of routes and development of risk management measures as reflected in IMU-CORP-HSE-PR-054 Rev 00 (Cyanide Transportation Management Plan) 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.

PSB contract entities Indika Multi Niaga (IMN) and assigned outsourced transport entity to conduct land transportation and has established procedures to ensure contractors are aware of and comply with ICMI Code requirements. Due Diligence and contractual agreement will be in place to reinforce compliance. (Vendor Subcontractor HSE Management IMU-CORP-HSE-PR-008)

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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:

PSB has made provisions as spelt out in IMU-CORP-HSE-PR-054 Rev 00 (Cyanide Transportation Management Plan) to ensure that all personnel operating cyanide handling and transport equipment have received comprehensive training focused on minimizing potential cyanide releases and exposures.

Training programs covering hazard recognition, emergency response protocols, and safe handling practices are integral to the overall Cyanide Transportation Management Plan (IMU-CORP-HSE-PR-054 Rev 00). These will serve as the foundation for evaluating contracted entities (IMN and assigned outsourced transport entity with assigned cyanide transportation drivers.

PSB contract entities Indika Multi Niaga (IMN) and assigned outsourced transport entity to conduct land transportation and has established procedures to ensure contractors are aware of and comply with ICMI Code requirements. Due Diligence and contractual agreement will be in place to reinforce compliance. (Vendor Subcontractor HSE Management IMU-CORP-HSE-PR-008)

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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:*

Interviews with site personnel revealed that procedures are established to prevent the overloading of transport vehicles used for handling cyanide, in accordance with the job hazard analysis worksheet and the overall due diligence process for the contracted entity as validated with Cyanide Transportation Management Plan (IMU-CORP-HSE-PR-054 Rev 00).

PSB contract entities Indika Multi Niaga (IMN) and assigned outsourced transport entity to conduct land transportation and has established procedures to ensure contractors are aware of and comply with ICMI Code requirements. Due Diligence and contractual agreement will be in place to reinforce compliance. (Vendor Subcontractor HSE Management IMU-CORP-HSE-PR-008)

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## SUMMARY AUDIT REPORT

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 identifying the shipment as cyanide were present, in compliance with local regulations and international standards.

PSB has established provisions in the Cyanide Transportation Management Plan (IMU-CORP-HSE-PR-054 Rev 00) to ensure that contracted entities adhere to the Safety Program for Cyanide Transport, which includes the following elements:

- a) **Vehicle Inspections:** Routine pre-departure inspections to ensure all transport vehicles meet safety standards.
- b) **Preventive Maintenance Program:** Documented schedules and completed maintenance records to ensure vehicle reliability.
- c) **Limitations on Operator Hours:** Policies to guarantee that drivers are well-rested and capable of safe operation.
- d) **Load Stabilization Procedures:** Methods to prevent load shifting during transport, including appropriate securing techniques.
- e) **Conditions for Modifying Transport:** Clear procedures for modifying or suspending transport in response to adverse conditions, such as severe weather or civil unrest.
- f) **Drug Abuse Prevention Program:** Implementation of training and testing protocols for personnel.
- g) **Record Retention:** Documentation of all safety program activities, including inspections, maintenance, and training sessions.

PSB has contracted Indika Multi Niaga (IMN) and assigned outsourced transport entity for land transportation and has established procedures to ensure that contractors are aware of and comply with ICMI Code requirements. Due diligence and contractual agreements will be in place to reinforce compliance (Vendor Subcontractor HSE Management IMU-CORP-HSE-PR-008).

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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:*

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

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## SUMMARY AUDIT REPORT

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:*

Communication is facilitated through mobile phones and walkie-talkies, as verified during onsite observations and functionality checks in accordance with the Cyanide Transportation Management Plan (IMU-CORP-HSE-PR-054 Rev 00).

Following the evaluation of these reviews, PSB has implemented a system to effectively track the progress of their cyanide shipments.

An onsite route assessment and interviews with the transport manager confirmed that a system is in place to monitor cyanide shipments, enhance loss prevention, and maintain records of vehicle tracking through livestreaming systems.

Additionally, communication blackout areas along transport routes have been identified, and special procedures have been established for managing these areas.

PSB contract entities Indika Multi Niaga (IMN) and assigned outsourced transport entity to conduct land transportation and has established procedures to ensure contractors are aware of and comply with ICMI Code requirements. Due Diligence and contractual agreement will be in place to reinforce compliance. (Vendor Subcontractor HSE Management IMU-CORP-HSE-PR-008)

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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:*

PSB had made provisions based on the Cyanide Transportation Management Plan (IMU-CORP-HSE-PR-054 Rev 00) and the Chemical Safety Procedure (IMU-CORP-HSE-PR-024), which detail the following key requirements to be implemented for designated interim storage upon the start of live cyanide transportation:

- Warning signs are prominently displayed at the entrances of both designated interim storage areas.
- Cyanide must not be stored alongside acids, strong oxidizers, or explosives. If these materials are present, they must be stored with appropriate embankments, bunds, walls, or barriers to prevent any mixing or contact.
- Proper ventilation is crucial for cyanide storage, preferably in an open yard, to avoid the accumulation of hydrogen cyanide gas and cyanide dust.
- Spill control equipment must be readily available in the interim storage area to mitigate any potential cyanide release into the environment.
- The design of the interim storage should minimize the risk of cyanide contact with water, ensuring the area remains free of standing water.
- Containers must be stacked according to their design specifications to prevent damage.
- Smoking, open flames, and eating or drinking are strictly prohibited in the temporary storage area.
- Access to the interim storage for cyanide containers is restricted to security personnel, and the area is locked to prevent unauthorized entry.

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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:*

PSB had procedure in place for implementation of Emergency Response Procedure (IMU-HSE-PR-004 Rev 00 – Cyanide Emergency Response Procedure) to address potential cyanide releases related to both interim storage and land transportation upon live cyanide transportation occurred. The management of identified incidents that could lead to cyanide releases is based on risk assessments and scenarios, which include:

1. Spills in interim storage areas
2. Fires in interim storage areas
3. Transportation vehicle accidents without cyanide release
4. Spills resulting from transportation vehicle accidents
5. Fires resulting from transportation vehicle accidents

The classification of incidents, such as accidental sodium cyanide poisoning and spills into waterways, aligns with the incident response structure for both general incidents and specific emergency response guidelines. This structure considers the physical and chemical properties of cyanide during accidental releases. The transport infrastructure requirements are integrated into the overall Emergency Response Plan (ERP) and include:

1. Personal Protective Equipment (PPE)
2. Recovery vehicles
3. Evacuation zones
4. Communication with external responders
5. Defined roles and coordinated responses with local communities, medical facilities, local authorities, and fire departments
6. Material Safety Data Sheet (MSDS) for Sodium Cyanide
7. 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:*

PSB had a procedure in place Cyanide Emergency Response Procedure (IMU-HSE-PR-004 Rev 00) and interviews were conducted with site personnel to ensure ERP awareness among those involved in interim storage and transportation operations. The training covers:

1. Specific roles and responsibilities during ERP activation
2. Emergency response equipment designated for interim storage and transportation
3. Personal Protective Equipment (PPE)
4. This training outlines the emergency response duties for both personnel and external responders in cases of leaks or spills, including:
  - Taking initial action to contain leaks
  - Alerting local authorities
  - Minimizing risks to people and the environment

A maintenance program has been established to ensure the functionality of emergency response equipment, with records kept for this program and the necessary emergency responses for transportation operations.

Training records for Emergency and Critical Response Training for Cyanide and Other Hazards were reviewed to confirm their relevance and application, as verified during a mock drill conducted on October 15, 2024.

PSB contract entities Indika Multi Niaga (IMN) and assigned outsourced transport entity to conduct land transportation and has established procedures to ensure contractors are aware of and comply with ICMI Code requirements. Due Diligence and contractual agreement will be in place to reinforce compliance. (Vendor Subcontractor HSE Management IMU-CORP-HSE-PR-008)

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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:*

PSB's procedure (IMU-HSE-PR-004 Rev 00 – Cyanide Emergency Response Procedure) depicts contact information for notifying relevant parties in case of emergencies during transportation. ERP covers both internal and external emergency notification and reporting as part of the incident response framework. This information is reviewed during toolbox meetings held prior to land transportation, and contact lists are updated during these sessions.

Records are maintained listing emergency response contacts needed for the ERP related to yard and transportation operations. On-site interviews with personnel confirmed that the ERP and associated contact lists are being properly implemented. This had been confirmed as part of ERP mock drills conducted on 15 Oct 2024.

A management flowchart is in place for notifying ICMI in the event of significant cyanide incident(s) occurred.

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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:*

PSB's procedure (IMU-HSE-PR-004 Rev 00 – Cyanide Emergency Response Procedure) outlines the spill contingency plan for accidental spills. It specifies that external resources will provide necessary responses, including remediation procedures for recovering or neutralizing solutions or solids and decontaminating soils or other contaminated media. The procedure also prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate, and hydrogen peroxide for treating cyanide that has entered surface waters. A review of the procedure confirmed that these points are clearly 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:*

PSB conducted mock drills on 15 Oct 2024, to evaluate the established ERP response plans, simulating an accidental cyanide spill at interim storage.

Emergency simulations will be carried out for the most likely scenarios, with at least one drill conducted every six months. These drills may combine multiple scenarios and involve external parties.

Simulation reports are documented using the Emergency Training Report Form IMU-CORP-HSE-FO-010 following each mock drill.

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