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CORRECTIVE ACTION PLAN

**AUSTRALIAN GOLD REAGENTS PTY LTD
SODIUM CYANIDE PRODUCTION FACILITY
CSBP KWINANA WORKS**

**ICMI CYANIDE PRODUCTION
VERIFICATION PROTOCOL
RECERTIFICATION AUDIT
SEPTEMBER 2013**

APPROVAL & CHANGE HISTORY

Approval and Change History					
Rev	Description	Approval			
		Date	By		
			MSA	MSA	CSBP
0	Issued for Concurrence	18 September 2013	MS	SAZ	GB
1	Additional CA raised to reflect findings of follow up visit and ICMI feedback. Issued for Information	31 December 2013	MS	SAZ	GB
2	CA adjusted to reflect follow up findings after additional ICMI feedback. Issued for Information	28 January 2014	MS	SAZ	GB
3	CA 01 and 03 closed out	6 May 2014	MS	SAZ	GB
4	CA 02 Closed out	19 June 2014	MS	SAZ	GB

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CA 01	CORRECTIVE ACTION PLAN
VERIFICATION PROTOCOL REQUIREMENT <i>1.1.5 Is cyanide managed on a concrete or other surface that can minimize seepage to the subsurface?</i>	
AUDIT FINDING SUMMARY Inspection of the concrete lined bund for Sodium Cyanide Storage Tanks T0601 and T0602 revealed that caulking repairs to cracks in the concrete had lifted in some areas. Work Order 1004687 to repair these cracks had been generated but repair work had not yet been completed. CSBP was in the process of arranging repairs to the caulking as per Work Order 1004687.	
AGREED CORRECTIVE ACTION AGR to complete repairs to the caulking that has lifted.	
EVIDENCE REQUIRED <ul style="list-style-type: none">▪ Inspection by the auditors of bunded area to confirm completion of repairs to the caulking.▪ Evidence of close out of Work Order WO 1004687	
AGREED COMPLETION DATE 28 February 2014	
REVIEW OF PRESENTED EVIDENCE The bund containing Sodium Cyanide Storage Tanks T0601 and T0602 was inspected and it was confirmed that the repairs to the caulking had been conducted. Reviewed the completed Work Order WO1004687 and associated work history that stated that: <i>All identified cracks were high pressure cleaned out, manually ground out to buff the surface ready for application of primer. A primer was applied to the cracked surface and then a sealing agent placed over the primer as per manufacturer's recommendations.</i> <i>This work was completed by Mackies Concrete.</i>	
CORRECTIVE ACTION CLOSED DATE 6 May 2014	

CA 02

CORRECTIVE ACTION PLAN

VERIFICATION PROTOCOL REQUIREMENT

1.3.1 Does the facility conduct routine inspections of tanks, valves pipelines, containments and other cyanide production and storage facilities, including:

- a) Tanks holding cyanide solutions for structural integrity and signs of corrosion and leakage?
- b) Secondary containments for their integrity, the presence of fluids and their available capacity, and to ensure that any drains are closed and, if necessary, locked, to prevent accidental release to the environment?
- c) Pipelines, pumps, and valves for deterioration and leakage?

AUDIT FINDING SUMMARY

The timing of the "Thorough Inspection" of Sodium Cyanide Liquid Storage Tank #1, Equipment No 1168 T0601, is not in accordance with the Risk Based Investigation conducted in April 2009 which confirmed that the "Thorough Inspection" period was to remain at 120 months from this date and was due in April 2012.

This inspection was postponed and is currently scheduled for February 2014, resulting in the inspection being 22 months overdue.

It is acknowledged that justification for this postponement has recently been accepted by the Plant Inspection Group using CSBP procedure DP-05-095-02 *Deferment of a Scheduled Inspection*. Maintenance Work Order WO1003356 is established in the maintenance system to conduct the "Thorough Inspection" of Sodium Cyanide Storage Tank #1 by February 2014.

AGREED CORRECTIVE ACTION

AGR to complete the "Thorough Inspection" on Sodium Cyanide Tank #1 by February 2014 as currently planned.

EVIDENCE REQUIRED

- Copy of the "Thorough Inspection" Report on Sodium Cyanide Tank #1 conducted by the Plant Inspection Group.
- Copy of the completed Work Order.

AGREED COMPLETION DATE

15 June 2014

REVIEW OF PRESENTED EVIDENCE

Sighted and reviewed CSBP Plant Inspection Report dated 12/6/2014 to 17/6/2014 on 1168T0601 Cyanide Storage Tank No. 1 carried out by the inspectors of CSBP's Plant Inspection Service.

The report detailed that the following inspections had been carried out with resultant observations and recommendations documented:

- Thorough inspection of shell externals, shell internals and tank floor.
- Magnetic Flux Leakage thickness testing on the tank floor.
- Ultrasonic shell thickness testing.

CA 02	CORRECTIVE ACTION PLAN
<p>Numerous photographs were included in the report to support the observations. Sighted the test results of the tank floor ultrasonic thickness testing.</p> <p>As a result of the inspections outlined, the following tests are planned:</p> <ul style="list-style-type: none">• Magnetic particle testing of the floor to ascertain integrity of the welds.• Magnetic particle testing of heat affected zones of all internal welds in the first strake.• Radiography of first 1 metre of all other first strake welds. <p>Sighted copy of completed Maintenance Work Order 1053921 dated 13/06/2014</p>	
<p>CORRECTIVE ACTION CLOSED DATE</p> <p>19 June 2014</p>	

CA 03

CORRECTIVE ACTION PLAN

VERIFICATION PROTOCOL REQUIREMENT

2.2.12 Are procedures in place and being implemented to investigate and evaluate cyanide exposure incidents to determine if the facility's programmes and procedures to protect worker health and safety and to respond to cyanide exposures are adequate or need to be revised?

AUDIT FINDING SUMMARY

Reported incident INC 49053 of 6/09/2011 – Exposure to hydrogen cyanide gas.

The corrective/preventative action identified for this incident was to amend the procedure, OP-KT-000-08 *Sodium Cyanide Solution Isotainer Loading at CSBP Kwinana Loading Station* to ensure that water in the knock out pots is checked daily and changed weekly.

The procedure has been amended to require the knock out pots to be checked daily, but no reference was made to the new requirement to change the water in the knock out pots weekly.

AGREED CORRECTIVE ACTION

AGR to:

- Amend procedure OP-KT-000-08 to include the weekly change out of water in knock out pots.
- Ensure changes to OP-KT-000-08 are communicated to relevant personnel.
- Review incident management process to ensure that incidents are not closed out unless verified as complete.

EVIDENCE REQUIRED

- Copy of amended procedure OP-KT-000-08.
- Evidence of communication of amendments to OP-KT-000-08 to the relevant personnel.
- Outcomes and recommendations of review of the close out process for incidents logged in "Cintellate".

AGREED COMPLETION DATE

28 February 2014.

REVIEW OF PRESENTED EVIDENCE

Sighted and reviewed Version 11 of OP-KT-000-08 *Sodium Cyanide Solution Isotainer Loading at SCP Kwinana Loading Station*. Section 2.3 (c) (1) had been amended to require that the vent line knock out pots be full of water and the water changed weekly.

Sighted minutes of Tool Box Meeting dated 4/04/2014 where the requirement regarding the knock out pots had been communicated to the Sodium Cyanide Liquids Despatchers.

Sighted a report of a review dated 18/03/2014 conducted on a sample of closed out incidents in "Cintellate" which concluded that corrective actions in "Cintellate" had been completed satisfactorily and that there was no evidence of a systemic issue.

CORRECTIVE ACTION CLOSED DATE

6 May 2014