

Submitted to: International Cyanide Management Institute 1400 I Street, NW – Suite 550 Washington, DC 20005 USA

2015 Audit Cycle



www.mss-team.com



Company Information:

Name of Operation

C.B. SPED a.s.

Audited:

David Uhlíř

Name and contact

J.S. Baara 80

information for

370 21 Ceske Budejovice

C.B. SPED

Czech Republic

Contact:

Email: duhlir@cbsped.cz

Location detail and description of operation:

C.B. SPED is a located in Ceske Budejovice, a city located approximately two hours south of Prague, in the Czech Republic. C.B. SPED is a full-service trucking and 3rd-Party Logistics (3PL) Provider. The company achieved ISO 9001 certification in 2001 and ISO 14001 certification in 2005. C.B. SPED has been in operation since 1997 and has been transporting cyanide throughout Europe since 2000.

The cyanide that is used in the gold mining sector is transported in semi-bulk bag-in-box packaging using dry van trailers. The shipments originate in the Czech Republic and are bound for European customers and international destinations.

Neither C.B. SPED nor its sub-contractors have experienced any cyanide incidents at any time, before or since the initial ICMC certification in 2012.

C.B. SPED is responsible for route determination, shipment tracking, truck inspections, preventive maintenance, training, safety program management, and emergency response planning. All of these activities and functions were reviewed during the certification audit. The ICMI-approved Transportation Auditor verified that C.B. SPED operations are in FULL COMPLIANCE with ICMC requirements for transporters.

C.B. SPED a.s.

Signature of Lead Audito

September 30, 2015

Name of Operation

--8-----



Auditor's Finding

This operation is

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

with the International Cyanide Management Code.

The operation has not experienced any cyanide spills or releases since its original certification audit in 2012.

Audit Company:	MSS Code Certification Service
	www.mss-team.com
Lead / Technical Auditor:	Nicole Jurczyk
	E-mail: CodeAudits@mss-team.com
Date(s) of Audit:	August 3-4, 2015

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, 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 Verification Auditors.

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

C.B. SPED a.s.

Name of Operation

Signature of Lead Auditor

Date

C.B. SPED a.s.
Name of Operation

September 30, 2015

Signature of Lead Audito



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

<u>Transport Practice 1.1:</u> Select cyanide transport routes to minimize the potential for

accidents and releases.

☑ in full compliance with

The operation is in substantial compliance with Transport Practice 1.1

not in compliance with

Summarize the basis for this Finding:

C.B. SPED follows the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) regulations. C.B. SPED and its subcontracted carriers have ADR Specialists who are responsible for ensuring that all ADR requirements are fulfilled and that the planning for the safe transport of shipments is appropriately completed.

Considerations such as population density, infrastructure (specifically tunnels), pitch and grade of roads, the proximity of the transport route to water bodies, and route security are considered during the planning process. Interviews were conducted with drivers, management personnel, dispatchers, and ADR Transportation Specialists. Awareness of the need for having a designated route and transportation security plan was very good. Routing considerations were found to be consistent with those required by the International Cyanide Management Code (ICMC).

The only roads that are used for transport are formally designated by the European Union as being acceptable roads for the transport of Dangerous Goods. According to interviews, one risk mitigation measure employed by drivers is the use of truck stops that have been specifically designated as being appropriate resting areas for drivers transporting Dangerous Goods.

According to interviews, driver feedback is obtained during each delivery through the dispatch operation. Routes are reevaluated at least annually. Any problems or issues from the previous year and any changes to allowable truck stops and routes are taken into consideration during this review. Route planning information reviewed during the audit was most recently reviewed in 2015.

Risk mitigation measures to be taken by drivers are documented in the route-specific transportation security plans. The routes traveled through Europe are generally considered safe. The driver is required to have the transportation security plan available at all times during the transport. This practice was confirmed through interviews with the drivers and an evaluation of the paperwork that was available in the truck at the time of transport.

C.B. SPED a.s.

Name of Operation

ignature of Lead Auditor

September 30, 2015



According to interviews with drivers, dispatchers, and ADR Transportation Specialists, acceptable Dangerous Goods routes and truck stops are designated by each country in the European Union. This information is referenced by C.B. SPED during the designation of acceptable routes. Additionally, only Dangerous Goods routes allowed by the governments through which the load is transported are used, which ensures adherence to local requirements regarding hazardous materials. No parts of the routes present special or additional security concerns.

C.B. SPED does not have any specific responsibilities to inform external responders and medical facilities of their role in an emergency. The European infrastructure for managing emergency situations is very mature. Additionally, interviews were held with the ICMC Coordinator from the cyanide producer and C.B. SPED management to confirm that the cyanide producer and C.B. SPED interact with local emergency responders and hospitals. The cyanide producer is ICMC-certified and been found to be compliant with ICMC requirements.

C.B. SPED does use subcontract trucking companies for the transport of cyanide. A sample of sub-contractor drivers, management personnel, and ADR Specialists were interviewed during the audit and sub-contractor equipment was observed during the audit. All personnel interviewed demonstrated good awareness of ICMC requirements. The loading process at the ICMC-certified cyanide producer, Lucebni zavody Draslovka a.s. (Draslovka) in Kolin, Czech Republic was included in the audit.

Procedures and contractual agreements are in place to ensure that subcontract trucking operations fulfill all ICMC requirements. Signed ICMC-related agreements, transportation orders (contracts) with ICMC requirements stated in them, records of communications between C.B. SPED and its subcontract transportation partners, and legal authorizations were confirmed during the audit.

C.B. SPED a.s.

Signature of Lead Auditor

September 30, 2015

Name of Operation Sign



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 operation is

☑ in full compliance with in substantial compliance with not in compliance with

Transport Practice 1.2

Summarize the basis for this Finding:

C.B. SPED uses only trained, qualified and licensed drivers and sub-contract drivers. The transport of Dangerous Goods is performed in accordance with the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) regulations. These regulations require that drivers transporting Dangerous Goods undergo specific training, become authorized specifically for the hazard class that is being transported (6.1 for cyanide) and that the drivers receive periodic health examinations.

Training and driver qualification records were reviewed and were found to be acceptable. Drivers are trained by an external training organization (DEKRA) that is authorized to provide governmentally required Dangerous Goods training. The training is designed to train drivers to perform their jobs in a manner that minimizes the potential for chemical releases and exposures. According to interviews with the C.B. SPED Training Coordinator, drivers who transport cyanide are trained every five years, in accordance with ADR regulations.

C.B. SPED does use subcontract trucking companies for the transport of cyanide. Procedures and contractual agreements are in place to ensure that subcontract trucking operations fulfill all ICMC requirements. Signed ICMC-related agreements, transportation orders (contracts) with ICMC requirements stated in them, records of communications between C.B. SPED and its subcontract transportation partners, and legal authorizations were confirmed during the audit.

Contracted cyanide drivers interviewed during the audit showed excellent awareness and were able to demonstrate that all above-mentioned C.B. SPED (and ADR) requirements have been fulfilled.

C.B. SPED a.s.
Name of Operation

Was de la company de la compan

September 30, 2015



Transport Practice 1.3:

Ensure that transport equipment is suitable for the cyanide

shipment.

☑ in full compliance with

in substantial compliance with The operation is

Transport Practice 1.3

not in compliance with

Summarize the basis for this Finding:

C.B. SPED uses tractor trucks and trailers to transport solid sodium cyanide in 1-ton boxes or metal returnable containers. Equipment capability was confirmed through a review of equipment specifications for tractors and trailers. Technical files were reviewed and specifications for the tractor trucks and trailers were reviewed specifically for weight capacity. The weights of shipments on Bills of Lading (BOL) shipping paperwork were compared to equipment design specifications. The equipment used by C.B. SPED is capable of operating at loads greater than the heaviest shipment reviewed. Interviews and a review of ADR regulations confirmed that vehicles and equipment must be regularly maintained and inspected as part of the ADR equipment permitting process.

A review of shipping papers confirmed that loads have not exceeded the truck / trailer capacity ratings for the types of trucks used. Equipment information and shipping papers for loads transported by subcontracted companies was also reviewed and confirmation was made that ICMI requirements related to Transport Practice 1.3 have been fulfilled.

Transport Practice 1.4: Develop and implement a safety program for transport of cyanide.

☑ in full compliance with

The operation is in substantial compliance with Transport Practice 1.4

not in compliance with

Summarize the basis for this Finding:

Cyanide packages are loaded into C.B. SPED trailers by the shipper. C.B. SPED drivers / subcontracted drivers block, strap, and brace the loads and confirm that the load has been properly secured prior to leaving the shipping facility. This loading activity was observed during the audit. Appropriate placards are displayed on the trucks. According to interviews with the

C.B. SPED a.s.

September 30, 2015

Name of Operation



cyanide producer and the drivers, the proper use of placards is confirmed during the pre-trip inspections.

According to driver interviews, pre-trip inspections are conducted prior to each departure. Additionally, interviews with a contracted driver and the cyanide producer also confirmed that trucks are visually inspected prior to each movement. Vehicles used for transportation of Dangerous Goods in Europe must meet certain technical specifications and must be regularly maintained. ADR vehicle technical certificates are issued for each piece of equipment (tractors and trailers). The vehicle certificates are renewed annually. C.B. SPED equipment is maintained regularly, maintenance records were found to be acceptable.

The Safety Program includes limitations on drivers' hours in accordance with ADR regulations. Driver's hours are logged and are monitored to ensure regulatory compliance and adherence to company policy.

Cyanide packages are loaded by the shipper. According to documented Safety Instructions, and interviews with Drivers, C.B. SPED drivers must confirm that the load has been properly secured after the cargo has been loaded.

Drivers are empowered and directed to pull over whenever weather, fatigue or other conditions are unsafe to continue the trip. The Security / Route Plan designates which truck stops are acceptable for stopping and resting during the transport. According to interviews, the drivers maintain close communication with the dispatcher and personnel at the point of delivery. If upset conditions arise, the driver would call the dispatcher to inform him or her of the situation.

Procedures and contractual agreements are in place to ensure that subcontract trucking operations fulfill all ICMC requirements. Signed ICMC-related agreements, transportation orders (contracts) with ICMC requirements stated in them, records of communications between C.B. SPED and its subcontract transportation partners, and legal authorizations were confirmed during the audit. Contractor equipment and contractor driver awareness were evaluated as part of this audit and were found to be acceptable.

C.B. SPED a.s.

Name of Operation

Signature of Lead Auditor

September 30, 2015



<u>Transport Practice 1.5:</u> Follow international standards for transportation of cyanide by sea

and air.

☑ in full compliance with

The operation is in substantial compliance with Transport Practice 1.5

not in compliance with

Summarize the basis for this Finding:

C.B. SPED does not ship cyanide by sea or by air. This section of the ICMI Cyanide Code does not apply to the operation.

<u>Transport Practice 1.6:</u> Track cyanide shipments to prevent losses during transport.

☑ in full compliance with

The operation is in substantial compliance with Transport Practice 1.6

not in compliance with

Summarize the basis for this Finding:

C.B. SPED uses multiple GPS and communication systems to ensure that drivers are always able to communicate with dispatch personnel and others, as necessary. According to interviews, communication system function is confirmed during the pre-trip inspection process. In addition to GPS tracking, drivers update dispatch personnel at defined frequencies to inform them of shipment status. Interviews with drivers, dispatchers, and management personnel and observations made during the audit confirmed this practice.

The communication equipment is in daily use. The proper functioning of equipment is checked during the driver pre-trip inspections. Blackout areas do not present a problem on the routes traveled. Drivers have shipping documentation including the Bill of Lading with them at all times during a shipment. Bills of Lading were reviewed for cyanide shipments made in 2013, 2014, and 2015. Information regarding the type of material transported, the type of container, the number of packages, and the weight of the shipment is consistently entered onto the Bill of Lading by the shipper. Drivers carry Safety Data Sheets with them during deliveries. This practice was confirmed through interview and an inspection of paperwork available during a delivery.

C.B. SPED a.s.

Name of Operation

Signature of Lead Auditor

September 30, 2015



Trailers are sealed upon loading and are not opened by C.B. SPED. Shipping paperwork was reviewed and the seal numbers on containers and the weight of the shipment are confirmed at the point of transfer of custody. Shipping paperwork was found to be conformant to Code requirements, including chain of custody requirements.

2. INTERIM STORAGE: Design, construct and operate cyanide trans-shipping depots and

interim storage sites to prevent releases and exposures.

Transport Practice 2.1: Store cyanide in a manner that minimizes the potential for

accidental releases.

☑ in full compliance with

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

not in compliance with

Summarize the basis for this Finding:

This requirement is not applicable to the operation. C.B. SPED does not have any cyanide interim storage responsibilities. At the time of the audit C.B. SPED was not storing any cyanide. Cargo was being transported directly from the Cyanide Producer to customers and to customer or consignor warehouses in Europe.

3. EMERGENCY RESPONSE: Protect communities and the environment through the

development of emergency response strategies and

capabilities

Prepare detailed emergency response plans for potential cyanide *Transport Practice 3.1:*

releases.

☑ in full compliance with

in substantial compliance with The operation is Transport Practice 3.1

not in compliance with

Summarize the basis for this Finding:

C.B. SPED has documented emergency response procedures for transportation accidents. Emergency preparedness documents were first developed in 2012 and were most recently updated in 2015. These documents were evaluated by the auditor. The information was found to be appropriately detailed. C.B. SPED drivers have emergency response procedures, the Safety

C.B. SPED a.s.

September 30, 2015

Name of Operation



Data Sheet, and emergency telephone numbers with them during all deliveries. C.B. SPED only transports cyanide via truck and all scenarios considered in the emergency planning documents were related to truck accidents or small cyanide spills from packaging. Solid sodium cyanide (the only physical form transported), roadway infrastructure differences, and the roles of emergency responders are discussed in the planning information.

<u>Transport Practice 3.2:</u> Designate appropriate response personnel and commit

necessary resources for emergency response.

☑ in full compliance with

The operation is in substantial compliance with Transport Practice 3.2

not in compliance with

Summarize the basis for this Finding:

All drivers receive emergency response training through a government-approved Dangerous Goods training program every five years. This training is required as part of the license renewal process and includes hands-on emergency response training. Additionally, C.B. SPED personnel (dispatchers and office personnel) are trained and refreshed on company emergency procedures periodically. The information in the emergency and security plans was reviewed and was found to be appropriately detailed.

European ADR regulations define what emergency response equipment must in a truck at all times during the transport of Dangerous Goods. Emergency equipment maintained on a cyanide shipment truck that was evaluated during the audit and was found to be in excellent condition and was found to be suitable for the type of transport and road conditions. Driver awareness of the need to regularly inspect the equipment as part of the pre-trip inspection process and have it available at all times was excellent. Additionally, the driver indicated that government authorities check for this equipment during routine truck stops and inspections. Dispatching of subcontracted drivers and equipment was including in the audit. Activities and records were found to be acceptable.

C.B. SPED a.s.

September 30, 2015

Name of Operation

Signature of Lead Auditor



<u>Transport Practice 3.3:</u> Develop procedures for internal and external emergency

notification and reporting.

☑ in full compliance with

The operation is in substantial compliance with Transport Practice 3.3

not in compliance with

Summarize the basis for this Finding:

The notification procedures, including current telephone numbers, are described in the route-specific transportation security plan that is carried by drivers at all times. The documents were reviewed during the audit and found to be appropriately detailed. According to interviews the Security Plans are reviewed at least annually and are updated as necessary.

<u>Transport Practice 3.4:</u> 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 Transport Practice 3.4

not in compliance with

Summarize the basis for this Finding:

C.B. SPED does not remediate spilled materials and the details regarding the use of cyanide treatment chemicals is not discussed in the emergency plan. This is managed by the authorities and professional emergency response companies in Europe. According to interviews, the cyanide producer or consignor would coordinate the remediation response. This explanation was accepted by the auditor.

C.B. SPED a.s.

Name of Operation

Signature of Lead Audito

September 30, 2015



<u>Transport Practice 3.5:</u> Periodically evaluate response procedures and

capabilities and revise them as needed.

☑ in full compliance with

The operation is in substantial compliance with Transport Practice 3.5

not in compliance with

Summarize the basis for this Finding:

The emergency procedures are reviewed as necessary, and contact information is reviewed at least annually. All documentation reviewed as part of this evaluation was updated in 2015. The emergency plan states that an emergency drill is conducted at least annually. Records were available to show that drill trainings were conducted in 2012, 2013, and 2014. Emergency response drills were reviewed for performance and the need to change the emergency plans.

C.B. SPED a.s.

Name of Operation

Nisol Jung Z
Signature of Lead Auditor

September 30, 2015