INTERNATIONAL CYANIDE MANAGEMENT INSTITUTE

Cyanide Transportation

Summary Audit Report

For The International Cyanide Management Code and EDEWIT S.R.L/ Perú.

Prepared by NCABrasil Expert Auditors Ltd. (www.globalsheq.com)

www.cyanidecode.org

June 2021

The International Cyanide Management Code (hereinafter "the Code"), this document, and other documents or information sources referenced at *www.cyanidecode.org* are believed to be reliable and were prepared in good faith from information reasonably available to the drafters. However, no guarantee is made as to the accuracy or completeness of any of these other documents or information sources. No guarantee is made in connection with the application of the Code, the additional documents available or the referenced materials to prevent hazards, accidents, incidents, or injury to employees and/or members of the public at any specific site where gold is extracted from ore by the cyanidation process. Compliance with this Code is not intended to and does not replace, contravene or otherwise alter the requirements of any specific national, state or local governmental statutes, laws, regulations, ordinances, or other requirements regarding the matters included herein. Compliance with this Code is entirely voluntary and is neither intended nor does it create, establish, or recognize any legally enforceable obligations or rights on the part of its signatories, supporters or any other parties.

***This audit report contains 11(eleven) pages.**

Celso Sandt Pessoa (Lead Auditor and TEA)

SUMMARY AUDIT REPORT
FOR CYANIDE TRANSPORTATION OPERATIONS

Instructions

1. The basis for the finding and/or statement of deficiencies for each Transport Practice should be summarized in this Summary Audit Report. This should be done in a few sentences or a paragraph.

2. The name of the cyanide transportation operation, lead auditor signature and date of the audit must be inserted on the bottom of each page of this Summary Audit Report.

3. An operation undergoing a Code Verification Audit that is in substantial compliance must submit a Corrective Action Plan with the Summary Audit Report.

4. The Summary Audit Report and Corrective Action Plan, if appropriate, for a cyanide transportation operation undergoing a Code Verification Audit with all required signatures must be submitted in hard copy to:

   International Cyanide Management Institute (ICMI)
   1400 I Street, NW, Suite 550.
   Washington, DC 20005, USA
   Tel: +1-202-495-4020

5. The submittal must be accompanied by:
   1) a letter from the owner or authorized representative which grants the ICMI permission to post the Summary Audit Report and Corrective Action Plan, if necessary, on the Code Website, and
   2) a completed Auditor Credentials Form. The lead auditor's signature on the Auditor Credentials Form must be certified by notarization or equivalent.

6. Action will not be taken on certification based on the Summary Audit Report until the application form for a Code signatory and the required fees are received by ICMI from the applicable cyanide transportation company.

7. The description of the cyanide transport company should include sufficient information to describe the scope and complexity of its operation.

SUMMARY AUDIT REPORT

Name of Cyanide Transportation Facility: EDEWIT S.R.L
Name of Facility Owner: EDEWIT S.R.L
Name of Facility Operator: EDEWIT S.R.L
Name of Responsible Manager: Edgar Valentin
Address: Calle Rio Caplina, 158, districto de Comas.
State/Province: Lima.
Country: Perú.
Telephone:(51) 986-289-659.
E-Mail: evalentin@edewit.com

Location detail and description of operation:

The EDEWIT operation is focused on the road transportation of cyanide for gold mining operations, without interim storage. The operation is located at Lima town (Comas district) and transports solid cyanide from the port of Callao and from cyanide distributors and depots situated in the region, to gold mine operations located in Perú. The operation has a SHEQ (Safety, Health, Environmental and Quality) management system. The operation trucks, specifically designed and bought to transport cyanide containers, are remotely monitored (100% during the travel between the cyanide seller and the final client) and equipped with on board computer and tracking system. The operation drivers are qualified, based on the Peruvian legislation, to transport hazardous chemical products and also were trained by the transporter in several safety, health, environmental and quality issues. The transporter has an agreement with different environmental emergency responder suppliers and a specific emergency response plan, which is approved by the Peruvian transportation authorities. All cyanide transportation convoys are escorted by security (not armed) vehicles.

SUMMARY AUDIT REPORT

Auditor's Finding

This operation is

X in full compliance
□ in substantial compliance *****(see below)
□ not in compliance

with the International Cyanide Management Code.

"This operation has not experienced any compliance issues or significant cyanide incidents during the previous three-year audit cycle."

***** For cyanide transportation operations seeking Code certification, the Corrective Action Plan to bring an operation in substantial compliance into full compliance must be enclosed with this Summary Audit Report. The plan must be fully implemented within one year of the date of this audit.

Audit Company: NCABrasil Expert Auditors Ltd. (www.globalsheq.com)
Audit Team Leader: Celso Sandt Pessoa (ICMI qualified lead auditor and transportation qualified TEA (technical expert auditor, since 2006)).
E-mail: celsopessoa@ncabrasil.com.br
Names and Signatures of Other Auditors: not applicable
Date(s) of Audit: 21~23/ September/ 2021 (on-site) and 11~12/ November/ 2021 (off-site).

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.

Celso Sandt Pessoa (Lead Auditor & TEA)

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

Transport Practice 1.1: Select cyanide transport routes to minimize the potential for accidents and releases.

The operation is*:*

X in full compliance with
□ in substantial compliance with Transport Practice 1.1
□ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation designed, documented, implemented and maintains a procedure (SGI-FT-027 (Hoja de Ruta)) that defines the system for route evaluation, considering several aspects. In addition to that procedure, the operation also designed, documented, implemented and maintains a hazard identification and risk evaluation protocol (SGI-FT-019). The Peruvian road infrastructure is divided in three main federal roads (Pan-Americana Norte, Pan-Americana Sur and Carretera Central (which connects to coast in the west to the rain forest in the east, crossing the Andes mountains)). Starting from these roads, there are secondary routes to reach the mining operations.

All defined routes consider the population density between point A (cyanide seller/ dispatch point) and point B (the mining operation).

All routes are evaluated in accordance with its configuration and type of material cover (asphalt, concrete, land), and defines specific instructions to the drivers in accordance in the road configuration and available infrastructure.

All identified routes clearly identify such aspects, mainly because Perú is well known about its mountains. The presence of surface waters (sea, rivers, lakes), snow, fog, rain among other natural aspects is identified in the route map (hoja de ruta).

A hazard identification and risk evaluation (IPERC de Ruta) were performed for each route in accordance with documented procedure SGI-FT-019. Reviewed several risk evaluations records in this opportunity.

The operation implemented and maintains a process to receive the feedback of the drivers, when returning from a delivery of cyanide in a mine operation. Reviewed some cases of such process addressed at preventive action records, when the route maps (hoja de ruta) were updated.

According to the magnitude of the risk (pure risk), the operation defines specific operational controls to mitigate the magnitude of the pure risks. These controls include, but not limited to, driver qualification and experience, speed control, truck and bug (trailer/ platform/ semi-remolque) configuration, truck and bug preventive maintenance, cargo configuration on the bug.

External stakeholders are involved and listened when defining a route, mainly because there are specific municipalities laws, that are distinct from one municipality to other. Public authorities are also involved in the route selection due to the existence of specific laws and permits in Perú applied to the road transportation of chemical hazardous products.

All trucks and bugs are escorted by a side vehicle, for occupational safety and emergency response purposes, according to the documented procedure SGI- PR-011(9). Convoys composed with 1 ~ 3 trucks require one escort. Convoys composed with 4~7 trucks require two escorts. During the field audit, one of these escort cars was inspected and its crew interviewed.

The operation does not subcontract any transporter.

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*:*
X in full compliance with
☐ in substantial compliance with Transport Practice 1.2
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

All drivers must have a type A4 (hazardous products) + A3 (heavy truck) driver license, in accordance with the Peruvian law (DS # 021/ 2008). Escort drivers must have type A1 license. The operation has ten qualified truck drivers and four qualified escort drivers. The load and unloading of the cyanide cargo are not performed by the operation drivers. All the truck drivers must pass, when renewing the A3 driver license, through a refresh training related to heavy trucks driving. Reviewed training records for Q-80016921, Q-46539656, and Q-09976121. Beyond this legal requirement, the operation, on an yearly basis, defines a training refreshing program, for all drivers. Reviewed training records for the following training sessions (defensive driving, handling of chemical hazardous products, the use of Edewit App, first aid protocols, wheels inspection and emergency response protocols).

Transport Practice 1.3: *Ensure that transport equipment is suitable for the cyanide shipment.*

The operation is*:*
X in full compliance with
☐ in substantial compliance with Transport Practice 1.3
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation uses trucks and bugs with a configuration specifically designed to transport the cyanide cargo containers (20´ or 40´). Usual loads are 20 tons, independent of the container volume. Trucks, bugs and containers are maintained in accordance with a preventive maintenance plan (performed by external qualified OEM (Original Equipment Manufacturer)) dealers and annually they are inspected by qualified institutions (by the Peruvian Traffic Authority) in order to obtain a permit to transit in Peruvian roads. All sampled transport equipment have their permits updated. Evidenced that the operation uses the following trucks (Volvo FH 6x4T3 Mercedes Benz 2651LS and Scania R460A 6x4T3) and two or three axis bugs, designed and constructed by Max Metal Ltd. or KVR Trailers Ltd. The operation´s transport planning process (including the cargo diagram/ cargo configuration) ensures that the truck/ bug to be assigned to transport the solid NacN container is adequate. All trucks and bugs of the operation fleet are adequate to transport both types of containers (20´or 40´). Reviewed the annual technical inspection permits for the following trucks/ bugs (BKF-778/ ABD-993, D7X-752/ AHO-974, ASY-773/ AVT-980 and B7B-868/ THE-987). Beyond the operational controls during the cargo loading at the seller (weight control), there are specific weight control stations along the routes from the seller to the mine, such as at Ancon (Pan Americana Norte), Pucusana (Pan Americana Sur) and Casaraca (Carretera Central). The cargo weight is also checked before unloading at the mine operation (reception records of the NaCN cargo were evidenced).

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

The operation is*:*

X in full compliance with
☐ in substantial compliance with Transport Practice 1.4
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:
The solid NaCN is transported in sea containers of 20´or 40´, containing the original cyanide boxes (1 ton) or 50kg steel drums. The container is sealed, the seal number is recorded in the transportation documentation and it is only opened at the mining operation, as evidenced in the mining reception inspection records. All required, by Peruvian legislation (DS-021/2008 and DS-045/2013), safety and environmental signage and placards are available in four sides of the truck/ bug, as evidenced in the field audit. Internal procedures SGI-PR-011(9) and SGI-EST-010(9) also address the required signage and placards to be used during NaCN transportation. The truck/ bug and the escort cars are inspected before each trip in accordance with inspection protocols SGI-FT-022 and SGI-FT-023, respectively. Reviewed inspection records performed between 2019 and 2021 for the following truck/ bug and escort cars (ANC-935/ F9K-970 and AWY-887, B7B-868/ TEB-984 and AWY-887, D7X-752/ D9N-983 and AJS-870, F0F-856/ AHO-973 and AWU-921). It was evidenced that the operation defined a preventive maintenance program for the trucks, bugs and escort vehicles. The preventive maintenance plan is performed in accordance with the kilometers traveled by the transport and escort equipment. All maintenance records are addressed at form SGI-FT-132, which includes the tires inspection and maintenance. Reviewed preventive maintenance records for the following transport and escort equipment (ABD-993 (bug), D7X-752 (truck), AHO-974 (bug), ASY-773 (truck), AVT-980 (new bug) and AWY-887 (escort)). The driving hours are defined at Peruvian legislation (DS-028/2020). Related to the sea containers that are used by the operation, they are included in the annual preventive maintenance program, performed by an external supplier, and is focused in several quality aspects such as internal floor, external and internal painting, twist lockers holes, visible cracks/ holes, doors locking system, hermeticity. A maximum of 10 hours driving per day is allowed. At every 5 hours, the driver has a 30´ rest. All the driver journey is monitored from the operation and recorded at form SGI-FT-140. Such driving hours records were reviewed during the audit, for different drivers. All bugs are provided with pin (or twist) lockers, that re inspected before each trip and included in the bug preventive maintenance plan. Evidenced during the field audit. According to procedure SGI-PR-011 (9), if environmental conditions, such as heavy rain, snow, windy condition, lightning storms or social turbulences are in place, the driver and the escort vehicle have the authority to suspend or modify the trip. According to protocol SGI-EST-012(9) / Alcohol and Drug Abuse Policies, all drivers are tested before each departure. Reviewed testing records for NaCN transport qualified drivers between 2019 and 2021. All above mentioned activities are recorded and the records retained by the operation.

Transport Practice 1.5: *Follow international standards for transportation of cyanide by sea and air.*

The operation is*:*

☐ in full compliance with
☐ in substantial compliance with Transport Practice 1.5
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:
This transport practice is not applicable to the operation scope. The operation scope is road transportation.

Transport Practice 1.6: *Track cyanide shipments to prevent losses during transport.*

The operation is*:*
X in full compliance with
☐ in substantial compliance with Transport Practice 1.6
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified: **(Due to the sensitivity of security issues regarding storage of cyanide, no descriptions of substantial or non-compliance with this aspect of the Transport Practice should be provided).**

The trucks and the escort vehicle are equipped with UHF radios. The truck driver has a cell phone and the escort driver has a satellite phone. Both vehicles are equipped with GPS. Both, the truck driver and the escort vehicle have a master list addressing the contact numbers of stakeholders that shall be communicated in the event of an emergency or any other situation. All communication equipment is inspected and tested before each departure from the operation. Records of such inspection and tests are retained by the operation and reviewed during this audit. All cell phone blackout areas are identified in the route maps (hojas de ruta). In such areas, if necessary, the satellite phone is used. The transportation convoy is in touch with the operation headquarter, through the communication channels and through the on-time GPS system provided by GEO Solutions Ltd. Verified during the field audit the progress of NaCN transport related to truck/ bug ANC-935/ ASY-773 and D7X-752/ ANC-839, that were in transit during the audit. All transportation documentation addresses the amount of solid NaCN being transported, that is checked during the loading at the seller, at the weight control stations along the routes and at the mining operation. All transportation documentation (Guía de Remisión Remetente (GRER) y Guía de Remisión Transportista (GRET)) address the amount of solid NaCN being transported and includes the solid NaCN MSDS. Transportation documentation copies are retained by the operation and were reviewed during this audit.

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.*

The operation is*:*
☐ in full compliance with
☐ in substantial compliance with Transport Practice 2.1
☐ not in compliance with

*Summarize the basis for this Finding/Deficiencies Identified:**

This principle is not applicable to the operation scope because the cyanide cargo is transported straight from the cyanide seller (distributor or depot) to its final destination, the mining operation. During the transport, the truck is monitored 100% of the time (on-time GPS) and stops, at night, only at pre-evaluated and approved stop stations along the route.

3. EMERGENCY RESPONSE: Protect communities and the environment through the development of emergency response strategies and capabilities.

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

The operation is*:*

X in full compliance with
☐ in substantial compliance with Transport Practice 3.1
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The operation designed, documented, implemented and maintains, in accordance with the Peruvian legislation (RD 1075/2016), an emergency response plan (PDC-001(1), dated 24/04/2017)), registered at Transport Ministry (# 5523/2017/MTC/16, dated 25/07/2017), under the permit # 076/2017/MTC/16/VDZR, dated 13/07/2017. The emergency response plan is appropriate for transportation routes, for road transportation of solid NaCN, for road transportation by truck/ bug (trailer), for the condition of the roads, for the fleet used by the operation, including escort vehicles and for the potential emergency scenarios identified in the risk analysis, and clearly describes the roles and response actions of each stakeholder involved in the emergency response. The emergency plan clearly identifies external resources (stakeholders), such as support hospitals, firefighters, federal road police, mining operations, environmental mitigation action suppliers. The participation of each identified stakeholders, for each identified emergency scenario, is dependent where the emergency occurs and the type and extent of the emergency. The emergency response plan is a mandatory legal requirement (demanded by the Transport Ministry) and all public stakeholders (hospitals, road police, firefighters, among others), involved in an emergency response, are aware about their roles in such situations. Private emergency responders are directly communicated by the operations about their roles in an emergency situation, including the mine operations.

Transport Practice 3.2: Designate appropriate response personnel and commit necessary resources for emergency response.

The operation is*:*

X in full compliance with
☐ in substantial compliance with Transport Practice 3.2
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

As previously mentioned, all the operation drivers are qualified in accordance with the Peruvian legislation and have specific driver permits to transport chemical hazardous products in heavy trucks. Beyond that, the operation has an annual training program for all employees involved in the NaCN transportation (drivers and escort team). The last refresh training related to emergency response protocols was performed on 11/09/2021. Records of such refresh training is retained by the operation.

In October 09, 2021, the operation performed a theoretical / practical training session, involving drivers and escort team, related to the use of cyanokit and cardio-respiratory recovery. Records of such training session were reviewed and are retained by the operation. The emergency response plan clearly addresses the duties of internal and external stakeholders in different emergency scenarios. The operation emergency response team (driver and escort) team are trained and qualified to first respond to an emergency situation involving cyanide, such as isolation of the area, signage of the area, neutralization activities, first aid activities, communication activities, supervision activities A master list of emergency response resources is available at the truck (EST-002(11)) and at the escort vehicle (EST-003(11)). These resources include full face masks, PEAD canvas, magnesium oxide, antidotes (cyanokit, which is stored in its original pack, inside a thermal box, and the validity is controlled by the operation staff and checked before each travel. The operation´s personnel received a training (theoretical and practical) on how to use the cyanokit and are prepared/ qualified to administer it in the event of an emergency, if the situation demands it. Medicinal oxygen is the main antidote that will be used, in the event of a cyanide intoxication. If cyanokit must be used by external medical **professionals**, they are qualified to do so)), Tyvec overall, boots and gloves for chemical use, among others. All emergency related resources are inspected before each travel. Records of such inspections were reviewed during this audit and are retained by the operation.

Transport Practice 3.3: *Develop procedures for internal and external emergency notification and reporting.*

The operation is*:*

X in full compliance with
☐ in substantial compliance with Transport Practice 3.3
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

All contact information with the stakeholders (internal and external) is kept updated by the operation. The operation developed and implemented a protocol to notify and report cyanide related incidents (real and potential ones), to all involved stakeholders, mainly public authorities. Last potential incident happened in 23/ February/ 2017 and was adequately recorded, investigated and reported to the involved stakeholders. Such records were reviewed during this audit. Emergency notification and reporting procedures are kept updated in accordance with the operation´s documents and records management system. Usually the communication protocol is updated when the emergency response plan is updated. The operation has all ICMI´s contact information (e-mails, telephones, address). In the last three years there were no cyanide related incidents requiring notification to ICMI (International Cyanide Management Institute).

Transport Practice 3.4: *Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.*

The operation is*:*

X in full compliance with
☐ in substantial compliance with Transport Practice 3.4
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

The emergency plan clearly defines the protocols to be followed in the event of solid NaCN release in dry soil, humid soil and surface waters. If solid NaCN impacts the soil, they are neutralized with magnesium oxide and then disposed into plastic bags, that are sent to the mine operation or to the environmental support service supplier, for final disposition. When necessary, such environmental services suppliers also participate in the emergency response. The emergency response plan clearly defines that, in the event of a surface water be impacted by solid NaCN, no chemical product shall be used to mitigate the impacts. This understanding is clear among the drivers and escort personnel that were interviewed during the field audit. The emergency response plan is also communicated to external emergency responders (environmental mitigation suppliers) and they are aware that chemical products such as hypochlorite, ferrous sulfate and hydrogen peroxide are forbidden to be used if a surface water is impacted by solid NaCN. Beyond that, the operation´s response team (driver and escorts) will be supervising the emergency response.

Transport Practice 3.5: *Periodically evaluate response procedures and capabilities and revise them as needed.*

The operation is*:*

X in full compliance with
☐ in substantial compliance with Transport Practice 3.5
☐ not in compliance with

Summarize the basis for this Finding/Deficiencies Identified:

According to the Peruvian legislation, the emergency response plan shall be updated every five years and submitted to the public authority (Transportation Ministry) for review and approval and to receive a new permit. Internally, the operation is constantly reviewing the emergency plan, after emergency drills or real emergencies (that did not happen in the last three years). The emergency drills are performed in order to verify if the theoretical emergency plan will work in a real emergency situation and if the involved stakeholders have performed their roles adequately. Such conclusions are addressed in the emergency drill report. It was evidenced two emergency drills, **related to NaCN** transportation, in the last three years. One in 29/ June/ 2018 and the other one in 09/ October/ 2021. **The operation transport other chemical hazardous substances and they perform emergency drills related to other chemicals products. Such drills were performed in 2019 (theoretical and practical) and 2020 (only theoretical due to the Covid 19 pandemic).** After real emergencies or emergency drills, the emergency response plan is reviewed by the operation team. In the above-mentioned cases, the emergency response plan was not necessary to be updated.