

ISOSURE S.A.C.

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## INTERNATIONAL CYANIDE MANAGEMENT CODE

### TRANSPORTADORA INTEGRAL DE CARGA, S.A. de C.V.

SUMMARY AUDIT REPORT

CODIGO 20171031

BASE TRANSPORTATION, CADEREYTA,  
MEXICO

VERSION 01. 1

FECHA 31/10/2017

In collaboration with:



# INTERNATIONAL CYANIDE MANAGEMENT INSTITUTE

## Cyanide Transportation Operations Summary Audit Report



For The  
International Cyanide Management Code  
and TRANSPORTADORA INTEGRAL DE  
CARGA, S.A. de C.V – CADEREYTA –  
MEXICO

### Verification Protocol

[www.cyanidecode.org](http://www.cyanidecode.org)

October 2017



LIMA, PERU



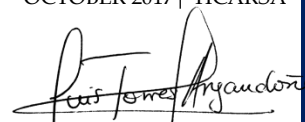
MONTERREY, MEXICO



LIMA, PERU



OCTOBER 2017 | TICARSA

  
Lead Auditor Signature

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## INTRODUCTION

### Information on the audited operation

Name of Cyanide Transportation Facility: TRANSPORTADORA INTEGRAL DE CARGA, S.A. de C.V (TICARSA)

Name of Facility Owner: TRANSPORTADORA INTEGRAL DE CARGA, S.A. de C.V (TICARSA)

Name of Facility Operator: TRANSPORTADORA INTEGRAL DE CARGA, S.A. de C.V (TICARSA)

Name of Responsible Manager: Juventino Tamez

Address: Autopista Cadereyta-Reynosa Km.36.5

State/Province/Country: Cadereyta | Mexico

Telephone: + (828)282-40-10 Ext 103 Fax: --

E-mail: [jtamez@ticarsa.com.mx](mailto:jtamez@ticarsa.com.mx)

### Aspects of the location and description of the operation:

TRANSPORTADORA INTEGRAL DE CARGA, S.A. de C.V (hereinafter TICARSA) has a fleet of more than 140 units for light and heavy transportation nationwide (Mexico), general cargo, fuel and hazardous materials.

For more than 50 years, in the Cárdenas Hermanos Group, they have managed to synchronize human and technological efforts to get their clients' products to the destinations they have ordered.

TICARSA was born with the vision of quality, safety, innovation and responsibility to grow our reach nationwide.

In 1985 San Arturo Specialized Transport operations began, initially dedicated to the transport of cattle and later to the fuel oil.

For 1995, CAESSA Transportes began to operate dedicated to the movement of refined petroleum products.

Conceived from the beginning to work in the materials and hazardous waste industry in 2002, the operation of Transportadora Integral de Carga SA de CV began.

TICARSA uses the latest technology for its transport services throughout the distribution process which could be visualized during the audit.

TICARSA transport units are constantly monitored by GPS system, this fleet is composed of semi-trailer (extensions and platforms) for the transport of containers, bags, big bags.

The organization has ISO 9001 certification "specialized transport service of chemical producer, petroleum derivative materials, hazardous waste and general cargo".

The scope of this audit includes the land transport operation from the "La Colorada" Transfer Plant, Hermosillo to the mining units, where cyanide is released. The cyanide is received in the mining units in the following presentations:

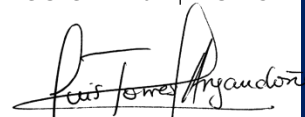
- Super-polypropylene inner bag filled up to 1 ton and placed inside a polyethylene bag and wooden box.
- Isotanks of 16 TN

No less than 20 tons are placed in standard shipping containers of 20 feet; the boxes are placed so that lateral movement inside the container is avoided. In addition, normal anchoring of the container to the truck chassis is used. The containers are received blocked and labeled.

These activities were carried out 3 years ago with ZERO (0) accidents.



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**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)**

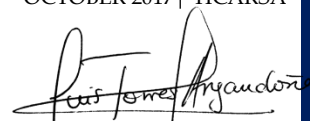
**1400 I Street, NW, Suite 550**

**Washington, DC 20005, USA**

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.



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# NOTARIA BECERRA SOSAYA

Av. Aviacion N° 2489 - San Borja

Central T. 200-2770

Horario de Atención: L.-V. 08:00 a.m. a 07:00 p.m.

Sábado 08:00 a.m. a 01:00 p.m.

Trámite Vehicular: Sábados hasta las 6:00 p.m.

www.notariabecerrasosaya.com

## Auditor's Finding

This Operation is:

**X in full compliance**

in substantial compliance

not in compliance

**The International  
Cyanide  
Management Code**

with the International Cyanide Management Code.

Audit Company: ISOSURE SAC | CIANURO INCORPORATED EIRL

Audit Team Leader: Luis Torres Argandoña

E-mail: auditoria@iso-sure.com

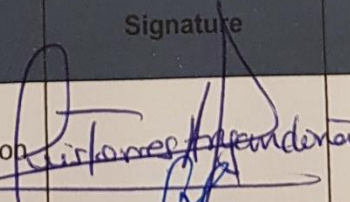
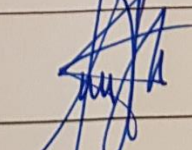
Date(s) of Audit: 16 and 17 October 2017

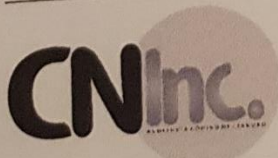
I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management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

I attest that this Summary 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.

Name and Signatures of Other Auditors

| Name                  | Position   | Signature  | Date            |
|-----------------------|--|--|-----------------|
| Luis Torres Argandoña | Lead Auditor and Transportation, Production and Mining Technical |  | 31 October 2017 |
| Carlo Vargas          | Transportation and Mining Technical                              |  | 31 October 2017 |



LEGALIZACIÓN AL DORSO

  
Lead Auditor Signature

## Verification Protocol

### TRANSPORT

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

#### 1.1 TRANSPORT PRACTICE 1.1

##### SELECT CYANIDE TRANSPORT ROUTES TO MINIMIZE THE POTENTIAL FOR ACCIDENTS AND RELEASES.

**X 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/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Standard of Practice 1.1 requiring an operation Select cyanide transport routes to minimize the potential for accidents and releases.

TICARSA implemented the route evaluation process identified as "PD SS 24 Security Analysis Procedure on transport routes", Cyanide Transport which describes the items to be assessed during the route analysis in accordance with the ones pointed in the International Cyanide Management Code.

The route is evaluated:

- La Colarada to Altar | Mina Chanote – 270 Km 5 hours
- La Colarada to Cucupre | Mina Cerro Prieto – 274 km 4 hours
- La Colarada to Cumuripa – 175 Km 3 hours
- La Colarada to Durango – 1125 Km 26 hours
- La Colarada to Estación El Llano (Mina San Francisco) – 173 Km 2 hours
- La Colarada to Rosarito – 977 Km 26 hours
- La Colarada to Magdalena – 224 Km 04 hours
- Hermosillo to Guaymas – 148 Km 2.5 hours

The evidenced records are as follows

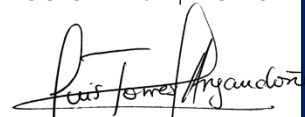
- Analysis of Safety in Transportation Routes | ASRT
- FO SS 116 Risks of Cyanide Transportation

In the procedure "PD SS 24 Security Analysis Procedure on transport routes", the Security Manager together with the client performs the evaluation of the route in person, in any case, a new route, according to the evaluated risks, the Security controls for the route, such as:

- Maximum and minimum speeds
- Overnight points
- Social manifestations
- Inspection applications
- Repairs



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- Application of safe practices
- Development of maintenance programs
- Analysis of alternative routes
- Emergency response procedures
- Health programs
- Pre-convoy talks
- Fatigue control
- Technology (SYSCO rollover system, LYTEX cabin video cameras, GPS)

TICARSA implemented the "PD SS 24 Security Analysis Procedure on transport routes", in the route evaluation report the main risks were identified as urban areas, population density, road infrastructure, proximity to water bodies, presence of fog, probability of free fall.

The risks associated with these characteristics include: vehicle accident, vehicle rollover, vehicle skidding, cargo, loss, pedestrian accidents, product spillage in the body of water and water contamination, among others.

For each specific route, a risk assessment was developed with a photographic record in 2017. Risk management measures are listed for each part of the routes according to the characteristics and level of risk.

It has FO SS 115 List of critical routes where the monitored routes are monitored. The routes evaluated during the audit were:

- La Colarada to Altar | Mina Chanote - 270 Km 5 hours
- La Colarada to Cucupre | Mina Cerro Prieto - 274 km 4 hours
- La Colarada to Cumuripa - 175 Km 3 hours
- La Colarada to Durango - 1125 Km 26 hours
- La Colarada to Estación El Llano (Mina San Francisco) - 173 Km 2 hours
- La Colarada to Rosarito - 977 Km 26 hours
- La Colarada to Magdalena - 224 Km 04 hours
- Hermosillo to Guaymas - 148 Km 2.5 hours

The "Analysis of Safety in Transportation Routes | ASRT ", where it is described:

- Route
- Type of vehicle
- Type of material
- Distance to travel to the destination
- Hazardous material class
- Driving time
- Number of united nations
- Risk level
- Last revision | the evaluation must be carried out annually, although meetings are held prior to each trip.
- General map of the route
- Security recommendations
- Procedures to follow
- Telephone numbers

Risks on the route are shared with the emergency centers due to training such as:

- Cadereyta Jim Fire Department



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*[Signature]*  
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- Directorate of Civil Protection
- Red Cross.

According to "PD SS 24 Security Analysis Procedure on transport routes", routes are verified entirely once a year or to the first transport to a client by TICARSA's Control and Analysis team. In addition, for all cyanide transportation operations, the driver must present a travel log, in which the driver has to note if there were any changes on the route. If any changes are identified, these are reviewed and assessed; and if applicable, the route risk assessment is updated. Temporary changes, such as route diversions, are verbally informed to the driver prior to the departure of the convoy.

TICARSA identified the fire stations, Police stations, technical support and hospitals and medical centers in the area, as well as phones and contacts.

As previously noted, the risk assessment of each routes describes the risks identified along them and the specific measures to be taken to address the risks.

TICARSA identified the main bridges, tolls, fuel stops and technical stop points.

TICARSA includes comments from interested parties (communities, other stakeholders, government agencies) in compliance with the procedure " PD SS 24 Security Analysis Procedure on transport routes ". These comments if applicable according to its usefulness in the selection of routes and risk management are reflected in the registry "Analysis of Safety in Transportation Routes | ASRT".

The centers are included in the Emergency Response Plan of TICARSA and consultation centers were evident during the audit.

TICARSA for the transport of sodium cyanide. TICARSA has a control room at the base of CADEREYTA, MEXICO, where the GPS system provides a continuous positioning of each vehicle at all times, as well as a continuous monitoring of the speed at each point of the route from the point from start to end point.

TICARSA also established through a "PD TR 005 Cyanide Transportation Service", asimismo has established the following controls:

- Seat belt
- Non-cellular policy
- No smoking policy
- Max speed of 80 km / h
- Safe distance of 4 seconds
- Check List of units
- Service Bitacora
- Driving operations
- Weather and route conditions based on previous trips
- ASRT
- Scheduled stops
- Tire temperature
- Overnight
- Lytx cameras

The specifications of use of escort trucks during the transport of sodium cyanide, are defined in the "PD TR 005 Cyanide Transportation Service".



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*[Signature]*  
Lead Auditor Signature

Only ONE (01) CONTAINER can be loaded per platform and each car can only drag one chassis. The convoy may include one or more escort vehicles at the request of the client. The trip of the convoy will depend on the weather conditions.

TICARSA has provided information (MSDS, emergency and product information, PD SS 02 Emergency Response Plan) to support emergency centers (health centers, police and fire companies) along the routes mentioned, and a signed and received letter with such information. This activity is carried out so that external support centers could be prepared for emergencies. In addition, comments are asked to external support centers to manage risk as a way to query and obtain feedback. TICARSA has contacts with hospitals, police, Fire Company, Crane Service, Car Repair Workshops

TICARSA does not subcontract any of this cyanide transport operations.

## 1.2 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.**

**X in full compliance with**

The operation is ☐ in substantial compliance with Transport Practice 1.2  
☐ not in compliance with

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

The operation is in FULL COMPLIANCE with Standard of Practice 1.2 requiring an operation Ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

The TICARSA establishes minimum requirements for drivers "FO-RH-07 Job profile": health, defensive driving training, and response training on sodium cyanide emergencies (spills and poisoning prevention).

Drivers are legally required to hold a for hazardous materials "Type E driver's license". In order to obtain this license, have completed high school, undergo a psychological evaluation and a psycho-technical assessment, and hold a certificate from Professional Driver School.

The auditor reviews the documentation of the 02 drivers:

- Juventino Perdomo Cruz | E PECJ860814hVZRRV09 | 5 years of experience
- Jose Carlos Gonzales Rios | AE GORC700318HVZNSR05 | 7 years of experience

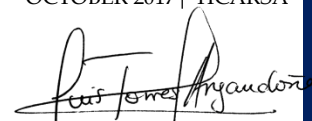
As a result of the audit it was proven that TICARSA only uses trained, qualified and licensed operators to operate their vehicles.

Records were verified and all staff operating the transport equipment was set to perform their work in a manner that minimizes the possibility of cyanide releases and exposures, these trainings include safe handling of cyanide both as emergency and poisoning, firefighting, first aid, defensive driving.

TICARSA, has been working on a Program Management System Safety and Health at Work.



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This program provides training related to leadership activities and management commitment, and Training, Hazard Analysis Working Procedures, Use of Personal Protective Equipment, Incident Investigation, Safety Inspections, Emergency Response, Drills, Environment Protection, Security, and Health Program.

TICARSA selects the most specialized drivers to transport sodium cyanide.

According to PD TR 005 Cyanide Transportation Service, drivers drive up to FIVE (05) continuously, with breaks of TWO (2) hours. Sleep at least EIGHT (08) hours before each trip, and one must not drive for more than TEN (10) hours per day.

In their Cyanide Emergency Response Plan, TICARSA includes a training program that must be complemented by all drivers, consisting of the following:

- Introduction to the Company
- Basic Ricks Prevention and Use of Personal Protection Equipment (PPE)
- Hazardous Materials Handling and Transportation
- Emergency Response
- Defensive Driving
- Cyanide First Emergency Response
- General Information of Cyanide Product

According to Plan cyanide related training is refreshed once a year. During the audit, files of two (02) drivers were reviewed, and all relevant training certificates were available.

TICARSA does not subcontract any of this cyanide transport operations.

### 1.3 TRANSPORT PRACTICE 1.3

**ENSURE THAT TRANSPORT EQUIPMENT IS SUITABLE FOR THE CYANIDE SHIPMENT.**

**X in full compliance with**

The operation is ☐ in substantial compliance with Transport Practice 1.3

☐ not in compliance with

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

The operation is in FULL COMPLIANCE with Standard of Practice 1.3 requiring an operation Ensure that transport equipment is suitable for the cyanide shipment.

TICARSA establishes requirements for maintenance of the units carrying cyanide in the PD TR 005 Cyanide Transportation Service, TICARSA is registered at the Government of Mexico for the transport of hazardous materials.

#### **Trailer:**

- Category / Class: N3 / Trailer.
- Bodywork: Trailer.
- Fuel: Oil.



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A handwritten signature in black ink, appearing to read "Pais Jones", is written over a horizontal line. Below the signature, the text "Lead Auditor Signature" is printed in a small, sans-serif font.

- Age: not more than 5 years.

**Semitrailer:**

- 04 fastening systems (twistlock, plus pins), which may be fixed.

**Excessive load**

- TICARSA provides that the charge should not exceed the carrying capacity, and this control is performed by using the format "FO MT 14 Verification Pre-Use Units".

The maintenance of the units is done by the supplier, the parts are original and technicians are specialized for the type of vehicle.

According to through the the "PD TR 005 Cyanide Transportation Service", TICARSA safety chief together with a driver have to check the trucks and trailers completing a checklist per vehicle prior to the departure of the convoy. The checklist requires reviewing:

- Origin and destination of the load
- Names of the driver and supervisor
- Shipment documentation (insurance, current technical inspection, circulation permit, among others)
- Driver's documentation (license and ID card, and appropriate training certificates)
- PPE (safety hat, goggles, safety boots, vest, gloves, harness, and thermal wear)
- Vehicle safety equipment (cell phone and radio, safety belts, first aid kit, reflective triangles, cones, flash light, horn, fire extinguishers, Jack, snow chains, mirrors, alarms, Wheel wrench, wedges, windshield, among others)
- Lights (blinking, turns, large, stops, among others)
- Placards
- Tires (trucks and spare tires)
- Load verification (braces and twists lock of the semitrailer. Reportedly, this is verified again after loading the container, although it is not registered)

During the audit, three (03) packages of travel records that complied with the provisions are evidenced.

According to the PD TR 005 Cyanide Transportation Service, TICARSA has procedures in place to prevent overloading of the transport vehicles, one CONTAINER of cyanide can be loaded on the vehicle.

TICARSA does not subcontract any of this cyanide transport operations.

#### 1.4 TRANSPORT PRACTICE 1.4

**DEVELOP AND IMPLEMENT A SAFETY PROGRAM FOR TRANSPORT OF CYANIDE.**

**X 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/Deficiencies Identified:**

The operation is in FULL COMPLIANCE with Standard of Practice 1.4 requiring an operation Develop and implement a safety program for transport of cyanide.



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*[Signature]*  
Lead Auditor Signature

TICARSA established a transportation method avoiding disturbances during motion.

For the transportation of sodium cyanide, TICARSA has a control room at the base of CADEREYTA, Mexico, where the GPS system provides continuous positioning of each of the vehicles at all times.

It has implemented IT SS 13 Integrity of cyanide packaging, to control the correct lacing of the load inside the unit, likewise, the IT SS 20 Work Instructions for Safe Cyanide Loading and Discharge, where it is specified to visually verify the process of load to check the condition of the boxes (without damages, deformities, presence of humidity, cyanide residues, leaks, details of the labeling), verify the appropriate weight multiplying the net weight for cyanide packaging by the number of packages, and report that the customer does not load more than the authorized one, review of the correct closing of the container doors and placement of the "seal" security seal.

Additionally, TICARSA has a security program which includes:

- Maintenance Program, SEINTRA System
- Limits to the operator or driver's schedule, Travel Log
- IT SS 13 Integrity of cyanide packaging
- IT SS 06 Good Transport Practices
  - Compliance with Policies
  - Respect transit guidelines
  - Verification of documents
  - Daily inspections
  - Logbook of driving hours
  - Verification with the Protection Team
  - Maintenance of Personal Protective Equipment
  - Use of Personal Protective Equipment
  - Order and Cleaning
  - Maintain safety and maintenance equipment
  - Equipment verification
  - Registration of travel events
- Drug use prevention program
- PO GG 02 Occupational Health and Safety Policy
- FO SS 33 No Smoking Policy
- FO SS 113 Emergency Response Policy
- FO SS 120 No Cell Phone Policy
- Monitoring by GPS, Mobile telephony and Satellite System
- Letter Porte, Documentation of the shipment received for cargo and chain of custody to prevent cyanide losses during shipment
- PD SS 02 Emergency Plan
- FO SS 115 List of equipment for emergency use
- FO SS 116 Inspection program for the use of emergency equipment
- The organization prepares reports and internal and external emergency notifications where it involves:
  - Head of traffic
  - Customer
  - Civil Protection
  - SETIQ | Transportation Emergency System for the Chemical Industry of Mexico
  - Environment 2000 | Remedial company
  - Medical Centers

The operation is controlled, through the SEINTRO system, by which it is registered:

- Unit number
- Origin
- Date
- Destination
- Tons
- Mileage
- Operation number
- Records:
  - Porte Letter
    - Packages
    - Weight
    - Type of load
    - Data of origin and destination
    - Unit data
  - Travel Planning
    - The activities to be done during the trip are described

TICARSA requires inspection of cartels load information (DOT and UN) verification of the truck “Verification Pre-use units”. Signage is provided in order to comply with local regulations, which are based on the UN Recommendations on the Transport of Dangerous Goods. Copies of the placards are included in the Emergency Response Plan.

TICARSA conducts vehicle inspections prior to each departure/shipment

During the audit process, records of inspections prior to each departure shipment are evidence.

TICARSA has a maintenance plan. The maintenance records were reviewed and the practice was confirmed during the observation of the vehicle and interview with the maintenance supervisor and drivers.

Periodicity of maintenance is carried out according to the mileage, evidenced by:

- Serving bites
- Operation statistics
- Rotation and control of tires
- Graphics
  - Mileage traveled per month
  - Trips made
  - Tons transported
  - Cost of maintenance
- Registration of the following units was evidenced:
  - KENWORTH 290EZ4
  - KENWORTH 635ES6
  - KENWORTH 818EW5
  - KENWORTH 276EZ4
  - KENWORTH 39AD60

According to PD TR 005 Cyanide Transportation Service, drivers drive up to FIVE (05) continuously, with breaks of TWO (2) hours. Sleep at least EIGHT (08) hours before each trip, and one must not drive for more than TEN (10) hours per day.



TICARSA before each trip is carried out the FO SS 60 Fatigue Operators Questionnaire, where it is verified that:

- Has slept 8 hr
- He has ingested medications
- There is some discomfort
- He's sick
- You have used alcohol and / or drugs
- Indicate date and time of the completion of the last trip made

TICARSA states that the load of cyanide must travel in 20 or 40 foot CONTAINER, developing mechanisms to prevent its movement.

According to the PD TR 005 Cyanide Transportation Service, TICARSA has anchoring mechanisms for the container and lashing system for cyanide in the container.

Before the departure of the United States, an evaluation of the climatic conditions and social conflicts is carried out. To do so, we have information from the police in real time.

At the end of the trip, drivers must submit a report detailing the same incidents on the road, advance information, sensitive areas and find relevant information to ensure safety on future trips.

“Alcohol and Drug Policy” It is prohibited the consumption of alcohol, drugs or any other substance that may impair or reduce the function of the driver or a member of the convoy in which prior to the start of each trip everyone must go through an alcotest and periodical drug tests; the violation of this policy results in the separation of the worker from the operation.

The plans and procedures for compliance with the Code are reviewed annually and the audits are developed to verify compliance with the TICARSA standards.

The records of the audit and of the operations are stored up to three (03) years by the organization, this was verified during the audit.

TICARSA does not subcontract any of this cyanide transport operations.

## 1.5 TRANSPORT PRACTICE 1.5:

### FOLLOW INTERNATIONAL STANDARDS FOR TRANSPORTATION OF CYANIDE BY SEA AND AIR.

**X in full compliance with**

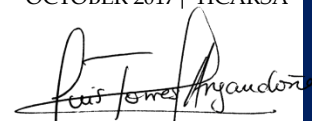
The operation is ☒ in substantial compliance with Transport Practice 1.5  
☐ not in compliance with

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

The operation is in NOT APPLICABLE with Standard of Practice 1.5 requiring an operation Follow international standards for transportation of cyanide by sea and air.



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TICARSA not transported by sea transport and air transport within the territory of Mexico.

## 1.6 TRANSPORT PRACTICE 1.6:

### TRACK CYANIDE SHIPMENTS TO PREVENT LOSSES DURING TRANSPORT.

**X 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/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Standard of Practice 1.6 requiring an operation Track cyanide shipments to prevent losses during transport.

TICARSA uses a GPS system. They also have telephone service, radio UHF and cell phones which ensure full coverage during movement and are completely connected to the control room in their base in CADEREYTA, Mexico. During the audit, the operability equipment was verified.

The phone lines were operating at the time of the audit; and also an inspection was done to verify the operation of mobile equipment and it was found the payment of the phone, the GPS, satellite phone and the radio UHF services.

Additional, TICARSA periodically test communication equipment to ensure it functions properly. "Verification Pre-use units" contains the inspection criteria of communication equipment.

TICARSA has identified areas without cellular and radio UHF coverage; in such areas the driver makes use of satellite equipment.

The GPS system has location actualizations in real time, in areas without GPS coverage it saves the information transmitted after the passing of vehicles.

The bill of lading and the shipment reference are part of the shipping records of the amount transported; the Material Safety Data Sheet is checked before each trip and is available throughout the transportation.

In the sender shipment reference is indicated the name of the product, the United Nations (UN) number, the transported amount of packages and weight of the load, and it is also necessary to indicate the product safety considerations. Upon the delivery of the sender shipment reference, the provider delivers the Material Safety Data Sheet to the carrier.

TICARSA does not subcontract any of this cyanide transport operations.

## INTERIM STORAGE

Design, construct and operate cyanide trans-shipping depots and interim storage sites to prevent releases and exposures.

### 2.1 TRANSPORT PRACTICE 2.1

STORE CYANIDE IN A MANNER THAT MINIMIZES THE POTENTIAL FOR ACCIDENTAL RELEASES.

**X in full compliance with**

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

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

The operation is in NOT APPLICABLE with Standard of Practice 2.1 requiring an operation Store cyanide in a manner that minimizes the potential for accidental releases.

TICARSA has no stores or warehouses in territory of Mexico.

## EMERGENCY RESPONSE:

**Protect communities and the environment through the development of emergency response strategies and capabilities.**

### 3.1 TRANSPORT PRACTICE 3.1:

**PREPARE DETAILED EMERGENCY RESPONSE PLANS FOR POTENTIAL CYANIDE RELEASES.**

**X in full compliance with**

The operation is ☐ in substantial compliance with Transport Practice 3.1  
☐ not in compliance with

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

The operation is in FULL COMPLIANCE with Standard of Practice 3.1 requiring an operation Prepare detailed emergency response plans for potential cyanide releases.

TICARSA has a PD SS 002 Emergency Response Plan. Information on road conditions is defined in the Roadmap document. The Emergency Plan describes the response actions for anticipated emergency situations. These were verified during the audit.

It covers strategic and tactical response of emergencies that might occur during the transport process in the following routes.

The Emergency Response Plan for transportation is suitable for the selected transport route, based on the hazards and risk assessment after the completion of the Roadmap.

The Emergency Response Plan has the following information:

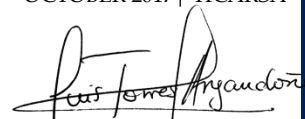
- General information carrier
- Organizational Transport
- Functions of staff in emergencies en route - Incident Command
- Communication system
- Characteristics of vehicle units
- General and specific characteristics of sodium cyanide
- Identification of risks along the route
- Response Planning
- Communication Processes
- Procedures for emergency care
- Review and update contingency plan

Main risks identified during transport:

- Fall or spilled material or waste
- Car accident
- Breakdown vehicles



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- Collision object and / or persons or animals
- Rollovers
- Fires
- Social conflicts
- Criminal acts, sabotage and / or terrorist
- Disease crew
- Air pollution, soil and / or water
- Natural phenomena
- Stole

The Emergency Response Plan is suitable for the selected transport route, taking into account the physical and chemical form of cyanide clearly based on the Safety Data Sheet of the Product "Sodium Cyanide". TICARSA is a transporter of sodium cyanide supply in solid state (briquettes).

TICARSA indicates the use of trucks to transport sodium cyanide taking into account the characteristics of the equipment and assesses the structural condition of the road where the transportation sodium cyanide is done. (Control of Hazardous Merchandise),

- UN Number: 1689
- UN Classification: Toxic
- Class Number: 6.1
- Transport type: truck more wagon tract
- Container Type: 20 or 40 ft shipping container or ISOTANKS
- Quantity per container: 20 tons
- Product Form: solid briquettes

Information on road conditions is defined in the Roadmap and Risks in transportation of cyanide. The Emergency Response Plan describes the response actions for anticipated emergency situations. These were verified during the audit.

It also establishes the logical line of action to be taken by the convoy leader and drivers in case irregularities arise during transportation of sodium cyanide.

TICARSA uses trucks; in addition, all shipment is dispatched within low platform trailers purchased with a maximum load capacity of 20 tons.

#### **Trailer:**

- Category / Class: N3 / Trailer.
- Bodywork: Trailer.
- Fuel: Oil.
- 

#### **Semitrailer:**

- 04 fastening systems (twistlock, plus pins), which may be fixed.

TICARSA sets action if incidents occur on the route which is described below.

- Incident without injury / continuous journey
- Mechanical problems / non-continuous journey
- Overturning with effusion / without spillage
- Collision with injuries



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- Spill dry - cleaning and decontamination
- Water Spill - cleaning and decontamination
- Social conflicts
- Adverse weather conditions
- Traffic congestion
- First aid for cyanide poisoning

Awareness on the part of drivers and supervisors of the actions in each case was evidenced after interview with the staff.

TICARSA has defined three levels of emergency response. The Emergency Response Plan identifies the roles of outside responders, medical facilities or communities in emergency response procedures.

The plan indicates the functions of external media involved in managing the contingencies that arise, for example:

- Provider of solid waste services
- National Police of Mexico
- Volunteer fire department of Mexico (specify the role and responsibility of firefighters)
- Medical centers.

TICARSA includes information regarding hospitals, police stations, Fire Company along the route.

### 3.2 TRANSPORT PRACTICE 3.2:

**DESIGNATE APPROPRIATE RESPONSE PERSONNEL AND COMMIT NECESSARY RESOURCES FOR EMERGENCY RESPONSE.**

**X 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/Deficiencies Identified:**

The operation is in FULL COMPLIANCE with Standard of Practice 3.2 requiring an operation Designate appropriate response personnel and commit necessary resources for emergency response.

TICARSA during the audit has show that Drivers receive training in emergency response from appropriate personnel on the safe handling of cyanide (spill and intoxication) and others receive training courses in defensive driving, firefighting, first aid. These trainings are renewed annually complying with the training plan 2017.

Training given to staff

- Hazardous Material
- Defensive driving
- Safe handling of cyanide
- Emergency response plan



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The training program is developed annually and can be enhanced according to performance and safety indicators and / or customers' requirement.

The Emergency Response Plan, Drivers, Supervisors, Chief safety, Operations Manager, Central Monitoring Coordinator, and General Manager are responsible to respond in an emergency; They have received the necessary training for efficient emergency response.

The Emergency Response Plan each truck has the necessary amount of emergency response equipment and the safety escort also has a Response Kit for spills and poisoning, and personal protective equipment which must be verified before the trip, as well as the verification of courses prior to starting the travels and the periodic emergency response training.

TICARSA has the necessary equipment for emergency response in the event of a major spill. Which is verified by the "Verification Pre-Use Units "

There were verified the records of the emergency response and inspection of equipment. The presence of such equipment in the convoy was verified. In the Emergency Plan indicates the functions of the staff in case of an emergency, and also the emergency equipment to be used in both the first and the second response. The Emergency Plan describes the specific functions of the emergency response and the staff responsibilities.

In the PD-TR-005 Transportation Sodium Cyanide, is specified the verification criteria of the units before each journey.

During the audit, inspection records were evident.

The Safety Chief is responsible for ensuring the timely change of those equipment needed for emergency response, and proceeded to inform the Logistics area any requirement on the matter.

TICARSA does not subcontract any of this cyanide transport operations.

### 3.3 TRANSPORT PRACTICE 3.3:

#### DEVELOP PROCEDURES FOR INTERNAL AND EXTERNAL EMERGENCY NOTIFICATION AND REPORTING.

**X 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/Deficiencies Identified:

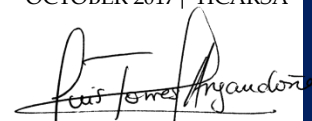
The operation is in FULL COMPLIANCE whit Standard of Practice 3.3 requiring an operation Develop procedures for internal and external emergency notification and reporting.

It was noticed that the contact information in case of emergency is updated, in case of emergency it will be set and updated the Emergency Response Plan. The Emergency Response Plan indicates the current contact list which is reviewed and updated through every review of the Emergency Response Plan.

The Emergency Response Plan detailing the program communications, taking into consideration:



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- Emergency levels.
- Communication of an emergency.
- Roadside communications flow emergency.
- Information during an emergency call.
- Communication to the National Police of Mexico / Competent Authority / Other Institutions Support / Community.

The Emergency Response Plan includes an internal communication and external schema that specifies the call flow by the safety personnel, the receptors, the regulatory agencies, external response providers, medical centers, fire departments, and communities potentially affected by an emergency.

### 3.4 TRANSPORT PRACTICE 3.4:

#### DEVELOP PROCEDURES FOR REMEDIATION OF RELEASES THAT RECOGNIZE THE ADDITIONAL HAZARDS OF CYANIDE TREATMENT CHEMICALS.

**X 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/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Standard of Practice 3.4 requiring an operation develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

It was noticed in the Emergency Response Plan, the description of how to recover or neutralize the solids, the procedure of decontamination of soils or other contaminated medium and how to manage these wastes.

The Emergency Response Plan prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released to surface waters.

### 3.5 TRANSPORT PRACTICE 3.5:

#### PERIODICALLY EVALUATE RESPONSE PROCEDURES AND CAPABILITIES AND REVISE THEM AS NEEDED.

**X 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/Deficiencies Identified:

The operation is in FULL COMPLIANCE with Standard of Practice 3.5 requiring an operation Periodically evaluate response procedures and capabilities and revise them as needed.

The period of review and evaluation of this Emergency Response Plan is at least once a year.



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The TICARSA's Safety Chief is responsible for requesting immediate changes to this Plan, in the event of serious incidents, by simulation results, results of audits or inspections by process improvement etc.

During the audit, the Emergency Response Plan has been updated to date.

When you change the route, an updated contingency plan is generated and sent to the Ministry of Transport and Communications for review and final approval.

Also they scheduled drills periodically to assess the adequacy of the plan and the level of compliance of the actions planned emergency.

During the audit, records spill drill evidenced in 2017.

The Emergency Response Plan and the Training Plan define the frequency of emergency drills. The document presents the schedule of emergency simulations.

The simulations are made by the Safety Chief who has an ANNUAL DRILLS PROGRAM indicating the completion of ONE (06) practical simulation, for the purpose of evaluating the effectiveness of the Emergency Plan and correct what is indicated on it.

The simulated evidences are:

- Evacuation
- Search and rescue
- First aid
- Fire protection
- Contingency en route
- Safe handling of cyanide, where third-party organizations participate:
  - Civil Protection
  - PRCA Company specializing in Health and Safety

The purpose is to measure the efficiency of the response procedure to ensure that the staff involved in an emergency act according to the Emergency Response Plan.

The Safety Chief takes into account the rapid preliminary compilation of the situation, gathering basic facts as they are known such as time the who, what, where, when, how and why of the situation, contacts the responsible person and broadcasts the obtained information.



*Alcance de certificación:*  
PROVISIÓN DE SERVICIOS DE CONSULTORÍA.  
CAPACITACIÓN Y GESTIÓN DE RECURSOS HUMANOS.  
MONITOREO OCUPACIONAL.

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