Draslovka Hermosillo Bag to Bulk Transloading Facility México

Summary Audit Report

for the

International Cyanide Management Code

March 2025

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Operation General Information

Name of the production operation:	Draslovka Hermosillo Bag to Bulk Transloading Facility
Name of the facility owner:	Draslovka
Name of the facility operator:	Covoro Mining Solutions Mexicana S. de R.L. de C.V.
Name of Responsible Manager:	Joaquín Corres Barragán - Customer Technical Support Manager
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Operation Location Detail and Description

The Draslovka Hermosillo Bag to Bulk Transloading Facility in Hermosillo, México (HMO facility) is operated by Covoro Mining Solutions Mexicana S. de R.L. de C.V.

The facility was commissioned in 2006 at a different location. The warehouse activities were first certified to the ICMI Cyanide Code Transportation Verification Protocol as part of the DuPont (the predecessor to Chemours) Mexico Supply Chain audit in 2010. In 2011, operations in Hermosillo were expanded to include a package-to-isotanker transloading system and moved to a rail yard/intermodal facility protected with double wire mesh frame that is owned and operated by Intermodal Mexico (IMEX) under contract to Draslovka. Because of the addition of this repackaging/transloading operation, the relocated facility was certified to the ICMI Production Code in 2014. This facility was recertified in 2017 and in 2021.

As noted in previous audit reports, the facility was specifically designed by DuPont engineers, constructed to DuPont specifications, and operated in alignment with ICMI Cyanide Code requirements. Packaged cyanide is stored in covered, well-ventilated warehouse prior to being dispatched to customers by truck or isotanker. Processes to prevent the release of trace sodium cyanide to the environment include a wash water collection and evaporator system and footwear decontamination. Site security conforms with the Customs Trade Partnership Against Terrorism (CTPAT) requirements of the US Customs and Border Protection Service.

The property for the Bag to Bulk Transloading Facility is owned by IMEX and is located in an industrial park in the southeast part of the city of Hermosillo. The transloading equipment is owned by Draslovka but operated by IMEX. The warehouse and forklifts are owned and operated by IMEX. The trucks are owned and/or leased by Transportes Especializados S.A. de C.V. (Segutal). Draslovka maintains an office at site together with staff from IMEX with four as operators and three as security guards. Segutal, the outbound trucking company, also maintains a staff of two at the site for handling and dispatching tractors, isotankers, and trailers. Draslovka provides cyanide safety training to all IMEX and Segutal staff at the site and includes them in response planning and mock drills. The normal shifts are 8 am to 5 pm Monday through Friday and 8 am to 1 pm on Saturday. Security is provided under contract round-the-clock.

The product is transported from the United States through Nogales via rail to the Hermosillo terminal in box cars, through the Union Pacific (in the United States) and Ferromex (in Mexico) railroads. The product crosses the U.S. border through Nogales via rail to the Hermosillo terminal in box cars, through the Union Pacific (in the U.S.) and Ferromex (in Mexico) railroads. It is also transported from Nuevo Laredo via the Memphis Laredo highway by Empire transports; and from Nuevo Laredo to Hermosillo by ALR transports, also via the port of Manzanillo. The product is also distributed to customers in Hermosillo directly in isotanks, and dry boxes with Ecopaks, IBCs and flobins.

Transloading in the HMO facility only occurs from Ecopaks, bag & box (Intermediate Bulk Container or IBC) and flobins to isotankers, although typically only flobins are transloaded to isotankers. Some

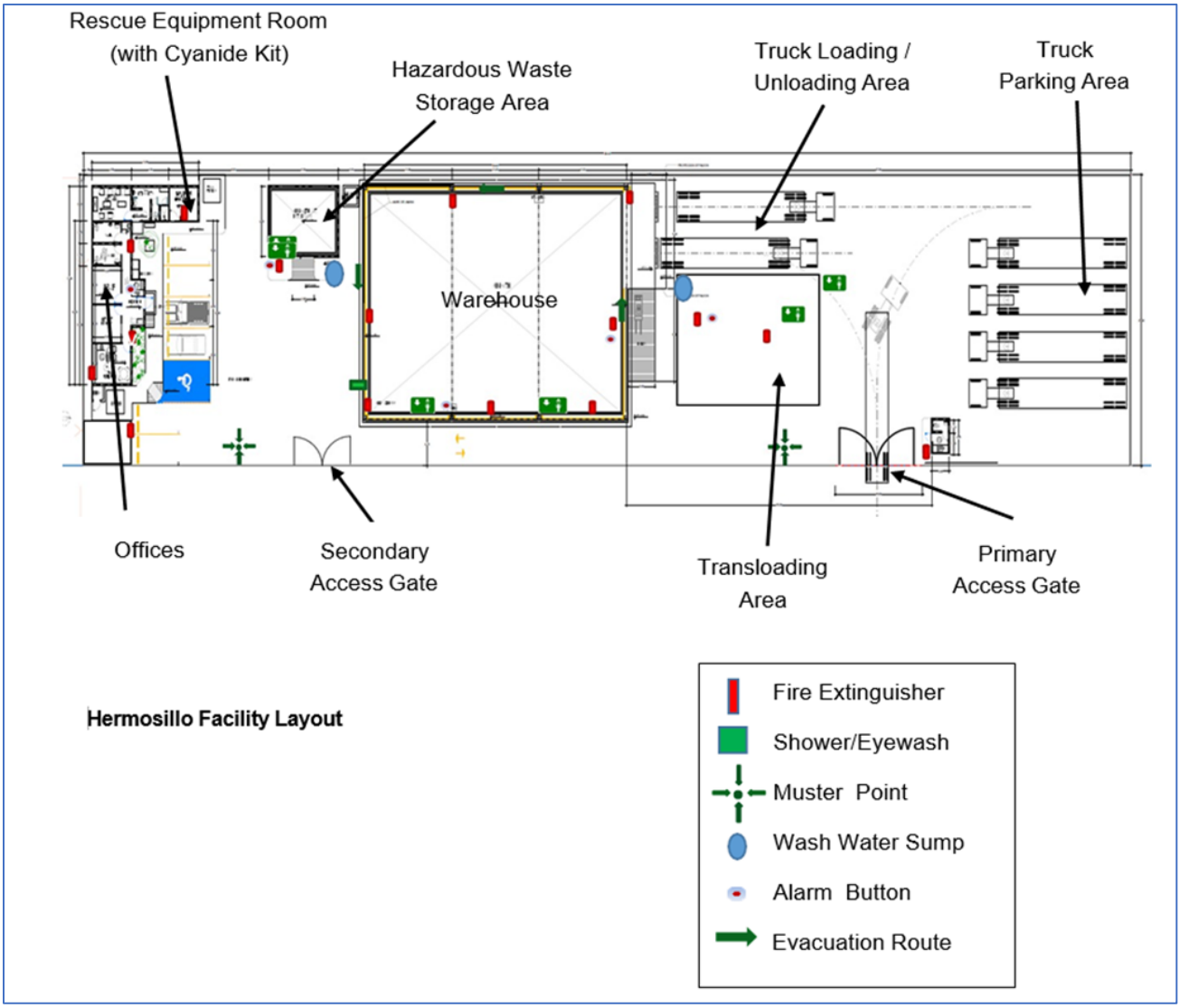
Ecopaks, IBCs and flobins are received, stored and reshipped without being opened. Empty flobins are returned by customers to the facility for reuse.

The product arrives mostly packaged in Ecopaks and bag & boxes (B&B, Intermediate Bulk Container or IBC) with 1,000 kg of cyanide, and flobins of capacity of 1,362 kg. The product is transferred to isotanks with a capacity of 19 tons of cyanide.

The filling of isotanks is carried out transferring first cyanide from B&B and Ecopaks to modified flobins hoisting and driving the packaging into a chute that pours the product into the modified flobin. The flobin is then hoisted to the roller bed where it is slid onto the isotank filling system platform.

The warehouse stores Ecopaks, B&B, empty and full flobins. The parking area adjacent to the transloading area stores full and empty isotankers. Other parking areas for the warehouse loading docks store full and empty trucks and trailers. Rail cars are offloaded when they arrive and then returned.

Ferromex provides incoming rail service within Mexico while Auto Lineas Regiomontañas S.A. de C.V. (ALR) provides incoming truck service within Mexico. Segutal provides outgoing truck service within Mexico. The rail and trucking shippers are the subject of a separate supply chain audit under the Transportation Protocol of the Code.



Golder Associates Inc., ICMC Cyanide Production Recertification Audit - Detailed Audit Report Hermosillo Facility Layout, September 2021. Accessed December 2024, ICMI website.

Auditor's Finding

This operation is

✓ in full compliance

☐ in substantial compliance

☐ not in compliance

with the International Cyanide Management Code.

This operation has maintained full compliance with the International Cyanide Management Code throughout the previous three-year audit cycle.

This operation has not experienced any compliance issues during the previous three-year audit cycle.

In April 3, 2022, the facility suffered a forest fire that affected the facility. This incident was opportunely reported to the ICMI as stated in Production Practice 2.2.

Auditor Information

Audit Company:	Cyanide Auditors S.A.	
Lead Auditor and Production Technical Auditor:	Bruno Pizzorni	bpizzorni@cyanideauditor.com
Dates of Audit:	October 8 to 16, 2024	

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 Institute for Mining Operations Verification Protocol and using standard and accepted practices for health, safety and environmental audits.

PRODUCTION VERIFICATION PROTOCOL

Principle 1 | OPERATIONS

Design, construct and operate cyanide production facilities to prevent release of cyanide.

Production Practice 1.1

Design and construct cyanide production facilities consistent with sound, accepted engineering practices and quality control/quality assurance procedures.

The operation is

- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Production Practice 1.1

Summarize the basis for this Finding/Deficiencies Identified:

The cyanide facilities at the Bag to Bulk Transloading Facility in Hermosillo (HMO facility) have been professionally designed and constructed. Quality control and quality (QA/QC) assurance programs during construction of the bulk transloading facility were implemented. As noted in previous audit reports, the facility was specifically designed and constructed according to professional engineers and specifications, and in alignment with ICMI Cyanide Code requirements. Qualified staff have reviewed the facility construction and concluded that the facility was built as designed. The auditor observed that Draslovka has retained the (QA/QC) documents.

- Design and Construction Quality Assurance Binders, 2013: Project Summary, Plans, Permits, and Calculations, and Construction of the Platform and Additional Items.
- Turnover letter from Ing. Marco Antonio de Haro Jimenez, DuPont Engineering Design Office Lead, August 26, 2013.
- International Cyanide Management Code, Cyanide Production, Summary Audit Report, DuPont Hermosillo Operation, Re-certification Audit, Management Systems Solutions Inc., December 14, 2013.

The facility's infrastructure and equipment remain unchanged since the last certification audit, and all construction records are retained as mentioned in the previous audit report.

As the auditor found that information regarding the design, construction and (QA/QC), no additional information was required to find this in compliance.

Those cyanide facilities at HMO that come into contact with solid cyanide are constructed with materials compatible with the processes employed. The auditor observed steel, aluminum, concrete, and high- density polyethylene materials, all of which are compatible with cyanide and high pH.

The HMO facility manually controls its cyanide bag to bulk transloading system to isotankers, such as in the previous audit cycle and was found in compliance. Draslovka continued the manual approach to loading isotankers that precludes the need for interlocks, as described in the procedures CHMO-16 Loading Isotank with B&B and Ecopak and CHMO-11 Loading Isotanks with Flobins Rev 2024 (1). Modified flobins are loaded with solid sodium cyanide from Intermediate Bulk Containers (IBC) called Bags &Box (B&B) and from Ecopaks. Then the isotanker is loaded by mean of the flobin by-one as the operators count and document them to ensure that only 14 are loaded. Likewise, the operators ensure that only 19 Ecopaks are loaded.

The auditor observed a loading event with flobins to confirm the procedure was followed. This manual approach provides protection to the operators as they would simply stop work in the event of a power failure or equipment failure. Everything is operated manually, operated with buttons, it has visual and auditive alarms.

Handling, transloading and storage of containerized and packaged solid cyanide at the facility operation is conducted on concrete surfaces impermeable elements that prevents seepage to the subsurface. Concrete surfaces protect the ground throughout all the facility, which is adequate to minimize seepage to the subsurface.

The facility employs manual controls in loading isotankers as described in the two procedures for loading isotankers from flobins and Ecopaks and B&B, respectively. To prevent overfilling of isotankers, flobins are loaded into an isotanker one-by-one as the operators count and document them to ensure that only 14 are loaded. Likewise, the operators ensure that only 19 Ecopaks are loaded during transloading cyanide to the modified flobin.

Standard volumes of cyanide are handled in both flobins and boxes. In the case of isotanks, they are filled from flobins. In addition to the control of the number of flobins to be poured into the isotank, there is visual filling control through the mouth of the isotank. There is an operator on the top of the filling platform who is attentive by looking at the cyanide level through the mouth of the isotank, as established in the procedure. There is always visibility into the isotank through the mouth of the isotank, from the filling platform.

The auditor observed a loading event with flobins to confirm the procedure was followed. The auditor considers that this manual approach provides equivalent protection as level indicators and alarms to prevent overfilling.

The facility manages only solid cyanide and does not have any process or storage tanks for liquid cyanide. Its building's floor and walls serve as sufficient secondary containment for stored containers of solid cyanide, such as IBCs and Ecopaks. The facility has a water tank for cleaning up water from the floor, this area has secondary containment in good conditions.

The entire area dedicated to the cyanide transfer operation is made up of a concrete slab with perimetral gutters and adequate slopes that drain into a sump which has a pump that redirects any flow of contaminated washing water to a water tank intended for this purpose located in the concrete

slab acting as secondary containment with enough capacity to holds the volume of this tank. The containment area includes the place where the isotank is parked. Likewise, the cyanide warehouse, although it handles only cyanide in solid state and is not subject to continuous cleaning, as the transfer area, is also designed in such a way that in the event of a spill of any solution, it is collected and directed to a second storage tank for contaminated water also with secondary containment. The water from the collection tanks is transferred to the Drygon equipment for evaporation.

Compliance with this provision was determined through the auditor's inspection of the facility and review of construction and maintenance records. The auditor also verified that these pavements acting as secondary containments are competent.

The facility does not have cyanide solutions. The diluted nature of any cyanide solution that may be present from wash water and water used to decontaminate clothing and equipment. However, the operation has a secondary containment system by means of perimeter gutters in the warehouse, the cyanide transfer area, in the area of the two parking ramps for isotanks loading and also in the area of the evaporator of contaminated water.

The operation has one building to store cyanide. The building is roofed and has closed structures to avoid contact with rainfall. Within this warehouse there are no potable water systems; safety showers that are present in the storage and in the cyanide transfer areas, are designed in such a way that leaks or other potential releases do not come into contact with the cyanide containers as they have secondary containment and adequate slopes that drain into a sump. Cyanide in isotanks is stored in open spaces in the outdoor courtyard.

The enclosed areas where cyanide is stored have particularly good ventilation to prevent the accumulation of cyanide dust and hydrogen cyanide gas. The auditor determined the adequacy of ventilation by visual confirmation that enclosed storage areas are, in fact, ventilated.

For general security reasons, cyanide is stored in a manner that prevents access by the public and unauthorized personnel. It is inside secure buildings that have gates and padlocks, additionally the entire property has a double perimeter fence and access limit controlled by security personnel of the operation. They have a double fenced area, the one at Ferromex and the one at Draslovka inside, both with cyclone mesh and barbed wire at the top. At the site there is 24/7 surveillance, there are television cameras, and external Ferromex personnel at the intermodal terminal, all regulated according to the procedure. CHMS-25 Physical Access Control.

Cyanide is stored separately from incompatible materials such as acids, strong oxidizers, or explosives. The auditor verified by observing the storage facilities that in addition to cyanide, sodium hydroxide, vegetable dye, small amounts of commercial bleach, as well as cleaning supplies are stored. The flow path that a released material would follow would not mix with the release of cyanide.

Production Practice 1.2

Develop and implement plans and procedures to operate cyanide production facilities in amanner that prevents accidental releases.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Production Practice 1.2

Summarize the basis for this Finding/Deficiencies Identified:

The operation has written procedures in place to operate its cyanide facilities in a way that protects its workers and the environment. The cyanide bag to bulk transfer facility has written systems and procedures in place for unloading and storing incoming cyanide, operating its transferring equipment, storing and loading cyanide for delivery to customers, handling cyanide containers, and handling any contaminated water, such as water captured in secondary containment or wash water. The procedures describe how the operation's cyanide management activities are conducted in a safe and environmentally sound manner that avoids cyanide releases and exposures.

Procedures reviewed among others are:

- CHMO-01 Finished Product Shipments
- CHMO-02 Loading and Unloading of Boxcar
- CHMO-03 Cargo Lock
- CHNO-05 Product Stowage
- CHMO-06 Unloading or Loading of Dry Box Trucks or with Sea Container Rev Oct23 (1)
- CHMO-07 Water Sampling And Analysis Rev 2024
- CHMO-08 Portable HCN Detectors Monitox 1
- CHMO-09 FLO-BINS Inspection
- CHMO-11 Load of Isotanks with Flobins Rev 2024 (1)
- CHMO-16 Isotank Loading with B&B and Ecopak 1
- CHMO-17 Waste Management (B&B & Ecopak) 1
- CHMS-01 Transportation Emergencies (Challenge) Rev24 2
- CHMS-04 Management of Medical Treatment Emergency Kit for Exposure to NaCN
- CHMS-05 Spill Management Rev24 (1)

- CHMS-08 Brigade Organization
- CHMS-09 Emergency Treatment for HCN and NaCN Poisoning Rev. May 2024
- CHMS-10 Fire Extinguisher Inspection and Testing Method
- CHMS-14 Shower and Eyewash Inspection (2)
- CHMS-15 Review of Duty Cycles 1
- CHMS-16 General Safety Rules Rev24 (1)
- CHMS-18 Use of Barricades 1
- CHMS-20 Investigation of Incidents and Accidents in Plant Rev24 (1)
- CHMS-22 Emergency Plan and Personnel Accounting 1
- CHMS-24 Risk Communication and Signaling 1
- CHMS-25 OAS Physical Access Control
- CHMS-37 Alarm and Closed-Circuit TV Systems
- CHMA-01 Development of Standard Procedures and Practices Rev 2024 (1)
- CHMM - 04 Operation and Maintenance of the Water Evaporator 1

The auditor reviewed the facility written operating procedures, among other documents, confirming that they address the safe management of cyanide. Implementation of procedures was confirmed through observation of these activities during the auditors' site visit. The auditor also had interviews with the personnel responsible for performing these tasks, and reviewed the available documentation, finding it in conformance.

The operation's work procedures include contingency plans for non-standard operating situations include situations such as damage to a cyanide box on arrival inside a damaged container or during handling cyanide boxes or shutdown of the operation due to machinery breakdown. In general, it contemplates some sufficiently probable situations that have been developed with previously planned responses. For example, procedures CHMO-02 Loading and Unloading of Boxcar and CHMO-06 Unloading or Loading of Dry Box Trucks or with Sea Container include contingencies related to damaged cyanide boxes.

Draslovka has procedures to manage changes to site operating practices and equipment. CHMS-15 is used to observe operational activities, obtain worker input, and revise operational procedures. It requires approval by the Draslovka Regional Operations Supervisor, the Site Operations Supervisor, and the corporate Environmental Health and Safety (EHS) Manager. The corporate Process Safety Management process is used to manage physical changes to equipment. It includes a risk assessment and requires approval by the corporate EHS Manager (or designee).

The operation has an IMEX (Intermodal Mexico) administered preventive maintenance program for its transfer and storage equipment, including tractor truck, forklift, hoist. Draslovka performs maintenance to the roller bed, auxiliary skids, evaporator, CCTV (closed circuit television) system water tanks, gutters and drains. Maintenance of tractors, chassis, dry vans, and isotankers is addressed under the Transportation Protocol of Draslovka Mexico Supply Chain.

The frequency of the various preventive maintenance activities are scheduled according to the Covoro Preventive Maintenance Program 2024 and the maintenance records are documented, along with the basis of the maintenance frequency, such as the hours of operation for the forklifts and time periods for the rest of the equipment established between maintenance.

Draslovka has implemented the following procedures for maintaining equipment and devices necessary for cyanide production and handling, according to the Covoro Preventive Maintenance Program 2024:

- CHMM-01 Rotating Vibrators
- CHMM-02 Electric Crane
- CHMM-03 Operation and Maintenance of the Wheeled Transporter
- CHMM-04 Operation and Maintenance of the Water Evaporator
- CHMM-05 Operation and Maintenance of the Chain Elevator
- CHMS-17 Forklift Use and Management

The auditor inspected the cyanide facilities, reviewed examples of the maintenance records for the period 2021-2024, and interviewed the employees to determine their compliance with this provision.

There are no process equipment in use at this warehouse that require calibration.

The facility has two tanks with secondary containment for the collection of water with possible contamination; these tanks are not connected to any drainage system, water is periodically collected and sent to the evaporator equipment according to Procedure CHMM-04 Operation and Maintenance of the Water Evaporator 1. The HMO facility does not have any cyanide solution at the site but does generate small volumes of wash water with the potential for low levels of cyanide contamination. There are two sumps for collection of wash water: warehouse, and transloading area. Collected wash water is pumped into a tank from the warehouse sump as needed and manually transferred to the transloading area sump. Wash water in the transloading area sump is disposed by evaporation in an evaporator unit. The evaporator has been inspected weekly throughout the recertification period. The operation empties and inspects the two sumps annually with maintenance as needed. For both sumps, there are diversion valves so that rainwater can be released via pipes to an ephemeral ditch along the fence line, in accordance with procedure CHMO-07 Water Sampling And Analysis Rev 2024. These valves have been locked to prevent inadvertent discharges. The auditor observed the tanks, evaporator, valves, and sumps to be in good condition.

The operation disposes of cyanide-contaminated solids in an environmentally sound manner in

accordance with CHMO-17 Waste Management (B&B & Ecopak) 1. The HMO facility solid waste generated consists of used Tyvek suits, Ecopaks, pallets/wood, evaporator residue, and floor sweepings. These materials are temporarily stored in the hazardous waste storage while awaiting for disposal by GEN, https://pasa.mx/gen, a certified contractor providing comprehensive service for the collection, handling and final disposal of waste. The auditor observed the hazardous waste storage area and reviewed examples of shipping manifests from throughout the recertification period, as well as annual hazardous waste summaries submitted to the federal agency responsible for hazardous waste management, the Secretaria de Medio Ambiente y Recursos Naturales (SEMARNAT), verifying compliance.

Draslovka has developed the procedure CHMO-01 Shipping of Finished Product to ensure cyanide is packaged as required by the United States and Mexico. Ecopaks are properly packaged at the Draslovka Plant in Memphis, Tennessee; the site staff check and replace straps as needed. Isotankers are managed by a rental vendor, TriFleet, under the Code Transportation Protocol. The reusable flobins are refilled at the facility and staff ensure proper packaging and labelling as the flobins are loaded into trucks for shipping to customers. Isotanks, B&Bs (IBCs), Ecopaks and flobins stored for shipment in the operation comply with the packaging requirements of the regulations of the jurisdiction through which the material will pass, including international standards. This includes requirements for the container itself, as well as container signage that identifies the presence of cyanide and its health and environmental risks. The packaging is designed in the USA and complies with international and national standards. The operation has established the following procedures to confirm that labelling and packaging have not been compromised when shipped to customers:

- CHMO-06 Unloading or Loading of Dry Box Trucks or with Sea Container
- CHMO-09 FLO-BINS Inspection
- CHMO-11 Load of Isotanks with Flobins Rev 2024 (1)
- CHMO-16 Isotank Loading with B&B and Ecopak 1

The auditor observed all types of packaging to be in good condition at the time of the site visit.

Production Practice 1.3

Inspect cyanide production facilities to ensure their integrity and prevent accidental releases.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Production Practice 1.3

Summarize the basis for this Finding/Deficiencies Identified:

The operation inspects all loading, unloading, transfer, storage and secondary containment areas to identify any release of solid cyanide or situations that pose a risk of cyanide release such as cracks in impermeable surfaces.

The operation has conducted routine inspections to ensure the proper functioning of equipment and containments. The site does not manage cyanide process solutions and therefore does not have any tanks, piping, pumps, and valves to be inspected. The two sumps for wash water are annually inspected with maintenance if needed. The auditor observed the sump inspection forms to verify compliance and observed the sumps to be in good condition.

The checklists used for these inspections direct the inspector to evaluate specific items and provides sufficient detail regarding what to look for. During the site visit to the facility, the auditor confirmed that potentially hazardous conditions have been identified. The facility is regularly inspected, the workers were knowledgeable regarding the aspects that could present a treat and that they have to notify the site manager. Documentation is retained and was available for the auditor's review demonstrating that inspections have been conducted and that necessary cleaning measures and maintenance and repairs are performed in a timely manner when deficiencies have been identified.

The operation has inspected the equipment and installations at frequencies sufficient to assure they are functioning as intended. Has inspected the warehouse, forklifts, showers/eyewashes, and transloading equipment daily; the evaporation unit weekly; the fire extinguishers, cyanide kit, rescue equipment, and radios monthly; the perimeter fence and closed-circuit television system quarterly; and sump integrity annually. The auditor reviewed examples of inspections records confirming frequencies are sufficient to assure that equipment and installations are functioning as desired.

The facility inspections and maintenance records are documented in checklists and include the date of the inspection, the name of the inspector and any observed deficiencies. The nature and date of corrective action are documented in the inspection records. The operation has inspected the warehouse, forklifts, showers/eyewashes, and transloading equipment daily; the evaporation unit weekly; the fire extinguishers, cyanide kit, rescue equipment, and radios monthly; the perimeter fence and closed-circuit television system quarterly; and sump integrity annually,

The auditor reviewed examples of the following completed inspection records among others: Annex 1

CHMM-05 Pre-operational Inspection of the Elevator and Forklift; Annex 1 CHMS-17 Checklist for Safe Use of the Internal Combustion Forklift. Inspection Before Using the Forklift.

The auditor required to include additional inspection focus points for the warehouse infrastructure as requires attention to specific details such as the condition of the roof that protects from rain (although it is an arid zone), the condition of the rainwater downpipes that, being made of PVC, could be broken; and the condition of the warehouse floor, among others. After the audit, the operation sent a reviewed version of the procedure CHMS-31 Integrity of the Physical Infrastructure of the Company 2024, where they included the requirement: “The loading and unloading platforms, as well as the ramps, floors, walls and ceilings of the warehouse must be functional and in good condition, without presenting cracks, fissures or fractures that represent any risk of filtration” and included additional inspection fields, as required, in the Physical Infrastructure Checklist of the Facilities Nov 2024. No additional information was required to find this in compliance.

Principle 2 | WORKER SAFETY

Protect workers' health and safety from exposure to cyanide.

Production Practice 2.1

Develop and implement procedures to protect facility personnel from exposure to cyanide.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Production Practice 2.1

Summarize the basis for this Finding/Deficiencies Identified:

The operation addresses all aspects discussed in Production Practice 1.2 that are necessary for worker protection, including its inspection programs for its cyanide facilities and its preventive maintenance programs for critical equipment. The same operating procedures mentioned in Production Practice 1.2 address safety issues explicitly and implicitly by describing safe practices. The level of detail of these procedures is proportional to the risks involved in the task. The procedures are developed to minimize worker exposure during normal plant operations from receipt, product transfer and shipping, non-routine and emergency situations, and maintenance related activities.

The operation has the procedure CHMS-15 Review of Duty Cycles 1 with the aim of establishing the guidelines to carry out Work Cycle Reviews in order to detect, analyze and minimize accident risks in the individual operations established, as well as to identify opportunities for improvement to the operation through an appropriate observation technique. communication and analysis of the task. The procedure indicates, among others, that it is the employee himself who performs the task, the most important source of information to improve an operation in terms of safety and effectiveness. According to the annual Work Cycle Review program, the employee who performs the review after observing and recording a complete cycle of task, discusses with the employee what he has detected and invites him to comment on his own observations. As a result of brainstorming with the employee, takes notes of the suggested steps they suggest taking to avoid likely injury. Examples of these measures are additional safety equipment; modification to equipment, procedure or operation; refreshment training of the personnel involved. Each observation event for a given procedure is documented with a three-page form that includes worker suggestions (Item 6 on second page). The third page of the form includes recommendations from the observation event and documents that these recommendations were considered and implemented as appropriate. The auditor observed examples of these forms from throughout the recertification period to verify compliance

The operation has identified areas and activities where workers may be exposed to hydrogen cyanide gas or cyanide dust and has required the use of personal protective equipment while working in these

areas and conducting these activities. The warehouses and transloading area have been identified as areas with the potential for exposure. There is an external study to evaluate occupational exposure to chemical agents (In compliance with NOM-010 of the Ministry of Labor and Social Welfare). The operation commissioned Grupo Microanálisis to conduct an Evaluation Study of Worker Exposure to Chemical Agents in January 2024. An excerpt from the study in an internal self-evaluation presentation confirmed the identification of areas and activities with potential for exposure to cyanide and did not document any readings greater than 0.25 milligrams per cubic meter.

The auditor confirmed by direct observation of the signaling in place, that the operation has determined these areas and activities where such exposures may occur and require appropriate personal protective equipment and has stablished administrative controls, as necessary. The auditor also interviewed the workers to confirm that the administrative measures are being implemented.

Draslovka has issued portable monitors to staff to confirm controls are adequate and to limit worker exposure to hydrogen cyanide gas and cyanide dust. The portable monitors are set with low and high alarms at 4.7 and 10.0 parts per million, respectively. According to CHMO-08 Portable HCN Detectors Monitox. The required action for both alarms is the same – leave the area and report to supervision for an evaluation of risk. The auditor confirmed by interview that the operators knew the alarm levels and understood that the required action was the same for both alarm levels. Each pair of employees is issued a portable monitor. The auditor observed the employees' pairs with the portable monitors. Compliance with this provision was verified by observation of the monitoring equipment, calibration records and employee interviews.

The operation has maintained, tested, and calibrated the portable monitors as required by the manufacturer and has retained the records. The HMO facility has three portable HCN gas monitors.

Operators perform a daily test on the portable units issued to them. The operation has developed a written procedure for calibration (CHMO-08) of the portable units. Two employees have been trained by the manufacturer to calibrate the portable units. The Operation calibrates the units on a 90-day frequency per the manufacturer. The auditor observed examples of calibration records from binders from throughout the recertification period.

The operation has implemented a buddy system in accordance with CHMS-16 General Safety Rules to ensure that workers can provide help or aid to each other or can otherwise notify or communicate with other personnel for assistance. The procedure states that all personnel must work under the "Buddy system" and must follow the rules established to reduce the risks of accident or injury. This system is a technique implemented to increase the safety of personnel in a risky or dangerous situation and consists of two people entering or carrying out some activity together and must maintain continuous visual contact or by other means of effective communication between them, in case of an emergency to either of these two people. the other may offer help or ask for help from other people. The auditor observed buddy pairs with radios. The operation has also manually installed alarm systems and closed-circuit TV in the work areas to ensure assistance is available when needed. The auditor confirmed compliance with this provision by reviewing safety procedures and interviewing and observing

employees.

Draslovka has developed and implemented a program to assess the health of staff to determine their fitness for assigned duties. The company has a corporate physician based in Baja California, Mexico. According to the program, it personalizes the exam required for each worker, taking into account the job position, such as age, coma and among other points, then there is feedback, sending an email directly to the worker for his laboratory pass. Annual medical examinations are carried out, including assessment of pulmonary function and fitness for respirator use, audiometry, anti-doping of 5 reagents, blood chemistry and general medical examination, which are under the protection of the Human Resources area of the provider that manages the site (IMEX) with copy to the supervisor on site. The results are considered confidential medical information and are held by the Human Resources Department. Given the confidential nature of the data, the auditor observed pictures of folders in an internal self- evaluation presentation and accepted that the program was implemented as described by Draslovka throughout the recertification period.

The operation has developed and implemented a clothing change program for employees, contractors, and visitors to areas with the potential for cyanide contamination. CHMS-16 General Safety Rules requires all personnel at the end of the day or when going to lunch must go through the decontamination area (warehouse) and proceed to clean their footwear in the machine placed for this purpose, as well as on the mat impregnated with sodium hypochlorite. If going to the dining room, you must deposit the personal protective equipment (PPE) in the area designated for it, so that contamination in the dining area is avoided. After removing PPE, the worker should wash hands and face thoroughly. The procedure also states that visitor/contractor personnel must pass through the decontamination zone, clean their footwear, and if they were provided with overalls and any other PPE, deposit them in the container assigned for this purpose placed in this area and after removing PPE, to wash the hands thoroughly.

The auditor observed workers in the warehouse and transloading area wearing the required Tyvek suits and the barrel of used suits pending disposal. The auditor also observed staff and had to use the mechanical boot brush and the mat impregnated with sodium hypochlorite. Once decontaminated, the person must walk through a safety corridor marked with paint on the pavement. The auditor confirmed compliance with this provision by reviewing the procedure and interviewing and observing employees.

The facility has placed legible signage throughout the operation as necessary to ensure that all workers who may be exposed to cyanide are aware of the risks and take appropriate protective measures. Workers have been alerted to the presence of cyanide and the need for appropriate personal protective equipment. Mandatory use of specific personal protective equipment is indicated for the sodium cyanide zone. Signage has been installed according to CHMS-24 Risk Communication and Signaling with requirements based on Mexican worker safety laws. In addition, isotanks, flobins, B&B and Ecopaks are labelled to advise workers of their contents and hazards.

The auditor confirmed by observation the presence of signage around the facility. Interviews with site personnel and review of the overall safety and training program with respect to cyanide safety also

confirmed the workforce has been alerted to the presence and risks of cyanide.

The operation prohibits personnel from smoking, eating, drinking, and having open flames by means of extensive signage in areas where there is the potential for cyanide contamination; the prohibition is included in the operation's safety training and is re-enforced by signage in these areas. Signage has been installed according to CHMS-24 with requirements based on Mexican worker safety laws. Smoking and open flames are prohibited in the entire plant. Eating and drinking are allowed only in a designated lunchroom away from the areas where cyanide is present. The auditor reviewed the training plans and records, interviewed the employees and observed on-site signage throughout the facility, finding compliance with this provision. Employees showed awareness of the restrictions and of the potential dangers of not following the rules.

Production Practice 2.2

Develop and implement plans and procedures for rapid and effective response to cyanide exposure.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Production Practice 2.2

Summarize the basis for this Finding/Deficiencies Identified:

The operation has the following written Safety Procedures detailing the necessary response to inhalation of cyanide gas or skin contact with liquid or gaseous cyanide:

- CHMS-01 Transportation Emergencies (Challenge) Rev24 2
- CHMS-04 Management of Medical Treatment Emergency Kit for Exposure to NaCN
- CHMS-09 Emergency Treatment for HCN and NaCN Poisoning Rev. May 2024
- CHMS-22 Emergency Plan and Personnel Accounting 1

Along with the Emergency Plan, the procedures describes specific emergency response procedures to respond to cyanide exposures and the processes to be followed in the event that cyanide is ingested, skin or eye contact made, and/or inhaled. The use of cyanide antidotes are also detailed. The document addresses the transfer of exposed victims to medical centers. The Plan and procedures are suited for the facility.

The operation has safety showers, eyewash stations and fire extinguishers in the warehouse areas and transfer area, where workers may be exposed to cyanide. This equipment is regularly maintained and tested to ensure it is working properly when needed. The extinguishers are of the non-acidic dry chemical powder type, the eyewash stations operate at low pressure, and nozzles are protected with

overlapping caps to prevent the water from the line from carrying contaminants into the eyes. To prevent potential contact with cyanide, solid cyanide storage areas are designed, constructed and maintained to minimize the chance of water coming into contact with the cyanide containers or with the cyanide released from the containers during handling.

The auditor inspected the operation confirming that showers, eyewash stations and dry powder extinguishers were available where they may be needed and tested each shower to confirm that they are functional; the eyewash stations were in good working order and they operate with low water pressure. The auditor checked the inspection tags to verify that the extinguishers had received their monthly visual inspections and annual hydrostatic testing and certification by an outside vendor.

The company submitted to the auditor the maintenance, testing, or inspection records demonstrating that this safety equipment has been routinely evaluated to ensure that it is available when needed, in accordance with procedures CHMS-14 Shower and Eyewash Inspection and CHMS-10 Fire Extinguisher Inspection and Testing Method. The use of general inspection tags is equivalent to focused inspection forms given that procedures CHMS-10 and CHMS- 14 include detailed information regarding the expected conditions and given that training on these procedures is refreshed annually.

The operation has the necessary equipment available for emergency response to a worker's exposure to cyanide. The operation has provided water, oxygen, antidotes, and multiple means of communication/notification that are readily available in the facility. The operation features medical oxygen with a mouthpiece with a valve that can also be used as a resuscitator. An antidote kit is located in the rescue equipment room that includes amyl nitrite, sodium nitrite, and sodium thiosulfate antidotes. Oxygen, water, activated carbon, and additional antidotes (Cyanokit, amyl nitrite, sodium nitrite, and sodium thiosulfate) are also located in the rescue equipment room. The Cyanokit, sodium nitrite, and sodium thiosulfate antidotes are for use by doctors.

For emergency communication it has reliable means of communication and emergency notification such as radios, alarm system, telephone and cell phones. Employees carry radios and there are red emergency alarm buttons at various locations in the facility. They have emergency telephone lists in the operation office and in the IMEX guardhouse. The auditor confirmed compliance with this provision through a facility inspection and interviews with employees.

The operation was required to include the Cyanokit as part of the Medical Treatment Kit, thus ensuring its inventory, inspection, and information about its existence to medical personnel. After the audit, the operation included in the First Aid Emergency Kit and Medical Treatment Kit Checklist - Monthly Inspection: Medical Treatment Kit (Cyanokit): 5g ampoules of Hydroxocobalamin (Vitamin B12) injectable (intravenous) 1 piece, expiration date Jun. 2025; Ventilated intravenous set 1 piece. No additional information was required to find this protocol question in compliance.

Draslovka HMO facility performs monthly inspections to its cyanide first aid equipment according to the procedure CHMS-04 Management of Medical Treatment Emergency Kit for Exposure to NaCN, inspection records were available for the auditor's review. The auditor reviewed the dates of the antidotes to make sure they had not expired and to determine if they were stored at the temperature

specified by their manufacturer. No antidotes were expired at the time of the site visit, antidotes stored according to the manufacturer's recommendation.

Employees at the facility have access to the Safety Data Sheets (SDS) of the sodium cyanide and on first aid in areas where cyanide is used. These documents are available upon entering the office and the guard house, there is also information about first aid published in the warehouse. Given that the site is small, it is readily available to workers. The auditor observed the safety and warning signs, reviewed the SDS and first aid procedures available in the language of the workforce, finding this requirement in conformance.

Because the operation exclusively handles cyanide in solid form, the labeling requirements apply only to cyanide containers. Procedure CHMS-24 Hazard Communication and Signage sets out the appropriate labelling requirements on storage containers and packaging. All cyanide containers are clearly identified as such. The auditor confirmed compliance with this provision by inspecting the cyanide containers stored in the operation: Ecopaks, B&B, flobins and isotanks. In addition, the evaporator unit has a vertical vent pipe with the potential for cyanide. The auditor observed the piping to be labelled as containing cyanide with the direction flow indicated.

Proper signage is in place in all areas for the necessary PPE to be used to prevent potential skin exposure to cyanide. In addition, there is also Procedure CHMS-16 General Safety Rules, which indicates the decontamination activities that workers, visitors or contractors must carry out when leaving areas with a possibility of exposure to cyanide. The procedure requires the use of a Tyvek suit and gloves in the warehouse and transloading area. After completing work, the suit is removed and placed in a designated barrel for disposal as hazardous waste and boots are decontaminated in an automatic boot brush. The procedure also requires washing hands and face to remove cyanide dust. The auditor observed workers in the warehouse and transloading area wearing the required Tyvek suits and gloves, as well as the barrel of used suits pending disposal. The auditor also observed staff using the boot brush machine.

The auditor reviewed the procedure and confirmed its implementation through observation of signaling and interviews with employees.

The operation has operations personnel who are trained in cyanide first-aid on-site to respond in the event of a cyanide exposure. All employees make up a multi-functional emergency brigade trained at the National Association of Chemical Industries (ANIQ) Emergency Brigade Training School.

The auditor reviewed the training records demonstrating that the individuals have received specific training in cyanide first aid, including cyanide antidote amyl nitrite administration, use AMBU and administration of oxygen. Cyanide antidote will be administered by medical personnel at the local clinic. According to the procedure CHMS-16 General Safety Rules, all personnel working in the operation must receive training among others, in procedure CHMS-04 Handling of the Medical Kit for Treatment of Sodium Cyanide and HCN Exposure.

The facility has established an emergency response protocol for poisoning that includes the transfer of

the person exposed to cyanide to the hospital closest to the facility, according to the CHMS-22 Emergency Plan and Personnel Accounting and detailed in Section 6 of the procedure CHMS-04 Emergency Kit Management procedure which specifies that workers will be transported to one of several hospitals (depending on traffic conditions: Clinic 68 of the Mexican Social Security Institute (IMSS), Hospital CIMA, Clinic 37 of the IMSS, Clinic de Noroeste or to Hospital San Jose, specifying the time required in minutes to arrive to each medical center. The auditor reviewed the operation's response procedure and emergency mock drill report determining compliance with this provision.

The patient will be transferred from the facility to the hospital by an ambulance from either the nearest hospital or the Mexican Red Cross, Hermosillo Branch. The emergency telephone number for the Mexican Red Cross is 911, and the address is provided. The travel time is 26 minutes over a distance of 26 km. The names and details of other nearby hospitals where the patient can be transferred are also listed. Alternatively, the transfer can be done using the Company's vehicle if there is no response from the ambulance or the Red Cross, or if their arrival takes too long.

Draslovka has alerted local hospitals of the potential to treat patients with cyanide intoxication via cyanide treatment training. The operation provided cyanide treatment training to staff from local hospitals and is therefore confident that the medical staff are qualified to treat patients with cyanide intoxication.

Draslovka's doctor provided medical training to staff at local hospitals. In October 2023, training was given to the hospitals of Hermosillo with about 30 attendees "Medical Training in Cyanide Poisoning" in face-to-face mode. In October 2024, the same course was taught virtually with 65 participants from various hospitals and also from clients. In November 2022, the training was also provided virtually with 64 participants. The auditor reviewed the operation's documentation of its coordination with the off-site medical confirming and has taken the necessary actions to ensure proper care for exposed personnel.

The operation has a written procedure for investigating and evaluating incidents, including cyanide incidents, to determine if the operation's policies and programs to prevent such incidents are adequate or whether they need to be revised. The incident investigation procedure (CHMS-20) for all types of incidents, including those related to cyanide.

In April 3, 2022, the facility suffered a brush fire that affected the facility affecting 138 boxes with cyanide, from which more than half of the product could be recovered. Draslovka shipped to its terminal in Carlin Nevada, the non-recoverable product that was affected by the brush fire, where they are diluting it and selling it as cyanide solution. This incident was opportunely reported to the ICMI. The auditor reviewed the written procedure as well as records of the fire incident report and investigation, confirming that the general program for investigation of accidents and incidents is being implemented.

Principle 3 | MONITORING

Ensure that process controls are protective of the environment.

Production Practice 3.1

Conduct environmental monitoring to confirm that planned or unplanned releases of cyanide do not result in adverse impacts.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Production Practice 3.1

Summarize the basis for this Finding/Deficiencies Identified:

The facility does not discharge directly or indirectly to surface water. For cases of floor washing at the transfer area or at the cyanide warehouse, the operation has a water collection channel that does not connect to any drainage; it will be directed to the tanks for its proper final disposal later at the evaporator.

The operation has no environmental commitment with the authority to water monitoring. According to local regulations, it conducts air quality monitoring annually. The monitoring is carried out by the Microanálisis laboratory, which in turn carried out the 2024 Evaluation Study of the Level of Occupational Exposure to Chemical Agents, resulting in the level of particulate matter in the air being within the permissible limits.

The facility does not have direct discharges to surface water. There are no compliance points of groundwater use near the facility and no government agencies have issued permits to Draslovka related to groundwater. The site is not engaged in groundwater remediation.

Draslovka HMO facility has managed only solid cyanide at the facility without the potential for process generation of hydrogen cyanide gas. As there could be the potential for generation of cyanide dust from the transloading process, the operation commissions Microanálisis laboratory to conduct periodic air surveys. In 2024 carried out the Evaluation Study of the Level of Occupational Exposure to Chemical Agents resulting in the level of particulate matter in the air being less than 0.25 milligrams per cubic meter, which are within regulatory limits.

Given the result of the air quality monitoring carried out at the beginning of 2024 and that as reported in the previous certification report of the operation carried out by Golder where they indicate that the results of monitoring in 2019 and previous years were always within the permissible limits, the auditor considers that the monitoring is conducted with the appropriate frequency to characterize the monitored environment.

Principle 4 | TRAINING

Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner.

Production Practice 4.1

Train employees to operate the facility in a manner that minimizes the potential for cyanide exposures and releases.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Production Practice 4.1

Summarize the basis for this Finding/Deficiencies Identified:

The operation trains its own personnel, that of the Segutal carrier and IMEX personnel. They have the written induction procedure CHMS-16 General Safety Rules, 2024

The facility has annual training matrices, and the written procedure CHMS-16 General Safety Rules, 2024. All personnel involved in the cyanide transfer operation are trained at least in cyanide awareness and in the emergency response plan. Training in cyanide awareness provides all personnel who may encounter cyanide with knowledge in recognizing the cyanide materials present at the operation, the health effects of cyanide, the symptoms of cyanide exposure, and the procedures to follow in the event of exposure. The operation has provided training and refreshers to their staff, IMEX, and Segutal, to understand cyanide hazards. The operation provides refresher courses annually and will do so with issues related to cyanide.

The auditor reviewed the annual training matrices 2022-2024, training materials, examples of training participation lists, understanding test and interviewed employees to verify that cyanide hazards are adequately addressed and potentially exposed personnel receive both initial and periodic refresher training.

The HMO transfer facility trains its workers regarding the proper use of personal protective equipment and the specific personal protective equipment required for various tasks and in different areas of the facility. Use of personal protective equipment is disseminated to the employees in the initial entry induction into the company; in the specific work procedure for loading, unloading transfer and cyanide storage. The auditor noted board posts on dashboards on the proper use of personal protective equipment on dashboards, such as the proper removal of the Tyvec suit. Training based on CHMS-16 covers facility-wide personal protective equipment use, although each procedure reinforces that training with a section on required personal protective equipment.

The auditor reviewed examples of training participation lists 2022-2024 in the use of personal protective equipment, observed the use of personal protective equipment at the facility and interviewed the employees regarding their training, finding this in conformance.

All personnel involved in the management of cyanide at the HMO facility have been trained to perform their assigned tasks in a safe and environmentally sound manner. Task-specific training is aimed to instruct employees on how to accomplish their assigned tasks safely; the required procedures are designed such that the tasks are accomplished in a manner that prevents exposures and releases.

The auditor reviewed examples of training assistance records and test of understanding. Through interviews, employees showed awareness of procedural requirements.

Task training is provided to employees before they are allowed to work with cyanide in an unsupervised manner. Training effectiveness is evaluated through testing and through observation of on-the-job performance by the Operations Supervisor. Procedure CHMS-16 requires that new staff be inducted with the following six procedures before they can work with cyanide: HMS-04 Management of Emergency Kit for NaCN and HCN Medical Treatment; CHMS-13 Use and Inspection of Gloves; CHMS-16 General Safety Rules; CHMS-18 Barricade Use; CHMS-22 Emergency Plan and Personnel Duties; and CHMS-24 Risk Communication and Signage. The auditor verified compliance by reviewing training records and interviewing operational and supervisory personnel.

The facility provides refresher training annually to its employees, on normal tasks involving handling cyanide to ensure that employees continue to perform their jobs in a safe and environmentally protective manner, as scheduled in the annual training matrices. This program, among others, includes specific training to their assigned tasks and address cyanide safety. Formal evaluations were verified by review of the evaluation records and interviews with employees.

The operation´s annual training matrices identify the specific cyanide management elements that the employees must be trained in to properly perform the required tasks. Training based on cyanide working procedures identifies the important items that must be conveyed to a new employee regarding how the cyanide-related tasks must be performed. The auditor reviewed the training material and interviewed workers and trainers finding compliance with this provision.

Training on normal tasks to handle cyanide is provided by Draslovka (Covoro Mining Solutions) and IMEX personnel, who have extensive experience in the handling of sodium cyanide: the Operations Leader with 36 years of experience, the Operations Supervisor with 19 years of experience and the IMEX Operations Supervisor with 13 years of experience in the handling and distribution of sodium cyanide, who are experienced and qualified personnel with knowledge of the specific tasks to be accomplished and experience in effective communication techniques. Verification included interviews with the Supervisors, confirming their level of expertise in operating the facilities and in training is adequate.

The facility evaluates the training effectiveness through testing and observation of on-the-job performance by the Operations Supervisors. The supervision applies a written exam-type questionnaire

for each procedure that is reviewed and the review of the processes is carried out through the Work Cycles (observation of tasks). Each procedure contains an exam that requires a passing grade of 80%. The auditor reviewed records for formally documented evaluations, finding it in compliance.

Production Practice 4.2

Train employees to respond to cyanide exposures and releases.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Production Practice 4.2

Summarize the basis for this Finding/Deficiencies Identified:

The operation trains all its employees working in the facility in what to do in the event they observe a cyanide release and/or exposure, to call for assistance and to provide cyanide first aid themselves. Personnel are trained in the different procedures that the site has to respond to a situation of exposure or release of cyanide. According to the annual training matrices, employees are trained to provide first response in case of cyanide spills and first aids; also, they are trained to call for the assistance of medicals from the local hospitals located in the surroundings of the facility. Workers are trained annually in transportation emergencies, spill management, use of barricades and in the Emergency Response Plan, among others.

The auditor reviewed the operation's training matrices, records of emergency response training, and through interviews with facility personnel confirmed that appropriate training is provided to site personnel.

Personnel at the facility are trained in all the necessary actions to carry out against cyanide exposures and in release response actions as is assigned in the operation's emergency response plan. The operation's requirements for employee training, including records of the training that these employees receive, as included in the annual training matrices. Workers are trained annually in CHMS-04 Management of Emergency Kit for NaCN and HCN Medical Treatment, CHMS-05 Spill Management, CHMS-18, Barricade Use and CHMS-22 Emergency Plan and Personnel Duties related to responding to cyanide exposures and managing releases.

The auditor reviewed examples of training participation lists from throughout the recertification period and interviewed workers verifying compliance.

The facility retains the emergency response training records, throughout an individual's employment documenting the training they have received and including the names of the employee and the trainer, the date of training, the topics covered, and how the employee demonstrated an understanding of the

training material. The auditor reviewed examples of training participation lists covering the recertification period, examples of completed exams lists, binders of training records and interviewed trained personnel determining compliance with this provision.

Principle 5 | EMERGENCY RESPONSE

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

Production Practice 5.1

Prepare detailed emergency response plans for potential cyanide releases.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Production Practice 5.1

Summarize the basis for this Finding/Deficiencies Identified:

The operation has the CHMS-22 Emergency Plan and Personnel Duties (Emergency Response Plan or ERP) for responding to a cyanide emergency in the site. The Plan describes specific emergency response procedures to respond to cyanide releases and exposures. The operation also has the following emergency documents: CHMS-01 Transportation Emergency Procedure; CHMS-04 Management of Emergency Kit for NaCN and HCN Medical Treatment; CHMS-05 Spill Management; CHMS-08 Brigade Organization; CHMS-09 Treatment of HCN and NaCN Intoxication; and CHMS-18 Barricade Use. These procedures together with the Emergency Response Plan deal with initial actions and emergency evaluation at the scene, personal protective equipment (PPE) required, solid cyanide spill in enclosed/ open spaces, fire hazard, symptoms of cyanide poisoning, environmental hazards, cleaning and decontamination.

The ERP does not consider a catastrophic release of hydrogen cyanide gas (HCN) as a possible scenario due to the nature of its operation. The Plan do consider a release during handling cyanide applies only to solid cyanide; in the event of a cyanide spill, the amount spilled would be less than a ton over a concrete pavement built with appropriate slopes so that it does not allow the accumulation of water puddles. The procedure prohibits the transfer of cyanide in the presence of rain or bad weather. Cyanide manipulation is carried out on an impermeable surface and no water courses are in the vicinities.

Releases during fires are covered under the ERP. In all cases, the Plan indicates that, if possible, to fight the fire with dry chemical powder extinguishers that are not acidic or that contain water. If the fire cannot be controlled, it is preferable to let the product burn. For larger fires, the Plan considers calling the local firefighter's company. Explosion scenarios are not considered possible in the Plan as the facility does not store substances or materials that could result in explosions.

The Plan does not consider emergency scenarios due cyanide piping, valves or tanks rupture as the

facility only manages solid cyanide. Also, Draslovka considers power outages and equipment failures inapplicable because of the manual approach to transloading wherein the workers would simply stop work. The scenarios of failure due to overtopping of ponds, tanks, and waste treatment facilities are inapplicable to the operation because there is no cyanide solution at the facility.

The auditor verified that the Plan address those release scenarios that may reasonably be expected to occur and result in significant impacts to its workers, community and environment, as applicable to the site-specific features of the operation and its environmental setting.

The Emergency Response Plan address the types of releases and responses that may reasonably be expected to occur at the site and include sufficient details so that personnel know the specific actions they are expected to take in response to the emergency. The degree of detail and specificity in the Plan is adequate to the environmental setting of the operation, the nature of the potential receptors, and the controls in place at the facility. All operators on site are trained as emergency responders. Including first-time operators who are equipped with the proper emergency response equipment, the operation counts spill volumes one box at a time. The warehouse is located in an industrial area.

The Plan describes step-by-step response actions for solid cyanide spills, fire, cyanide exposed workers and site evacuation. There is also a community telephone directory for contacting the neighboring industrial facilities should a broader evacuation be needed. The use of cyanide antidotes and first aid measures for cyanide exposure are addressed in procedure CHMS-09 Treatment of HCN and NaCN Intoxication. Control of releases at their source is addressed in CHMS-05 Spill Management and CHMS-18 Brigade Organization. Containment, assessment, mitigation and future prevention of releases are addressed in the ERP and procedures CHMS-05 Spill Management and CHMS-20 Investigation of Plant Incidents and Accidents. The auditor evaluated the Emergency Response Plan and procedures confirming its level of detail is appropriate.

Production Practice 5.2

Involve site personnel and stakeholders in the planning process.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Production Practice 5.2

Summarize the basis for this Finding/Deficiencies Identified:

The operation has involved its own site personnel in the emergency planning process via regular review and revision of all procedures, the task observation activities according to procedure CHMS-15 Work Cycles, and via mock drills. Due to the location of the site, which is in an industrial zone within the IMEX Intermodal Terminal, the workforce assigned to the operation by IMEX and the transporter Segutal

personnel were involved. Via the IMEX Site Operations Supervisor, Draslovka has involved IMEX overall in the emergency planning process.

Annually, the personnel participate in both internal and external training in the emergency response plan. External training being carried out in the town of Celaya, where they follow the cyanide emergency response course. This training is being carried out on a rotating basis by personnel from Draslovka, IMEX, and the trucking companies Segutal and ALR. Additionally, the operation interacts with the hospitals in the emergency response during the training of the company's doctor, either in person or remotely.

There are no residential communities in the vicinity of the facility. The auditor reviewed assistance records registers, also interviewed site personnel confirming compliance with this provision.

Draslovka stated that there are no residential communities in the vicinity of the facility and consequently there is no risk of affecting any community because the site is located in an industrial area considerably isolated from the urban area. An aerial photograph showed only undeveloped land in the vicinity. Auditor observations during the site visit confirmed there are no communities nearby.

Draslovka has involved local response agencies and medical facilities in the emergency planning and response process. Draslovka provided training to local hospitals, as shown in an excerpt from an internal self- evaluation. Inspectors from the federal environmental protection agency, Procuraduria Federal de Protección Ambiental (PROFEPA), visits the site periodically and issues inspection records, indicating familiarity with the site. The auditor reviewed pictures of the site visit and the training assistance records registers of medical personnel from clinics and hospitals for the management of antidotes in response to a possible emergency due to cyanide poisoning. Also interviewed site personnel confirming compliance with this provision.

Draslovka has regularly engaged with stakeholders with respect to emergency planning, current conditions, and risks. These engagements were ongoing throughout the recertification period via Draslovka provided cyanide training and IMEX representation on the site staff. The auditor reviewed email communications, and meeting minutes, confirming compliance.

Production Practice 5.3

Designate appropriate personnel and commit necessary equipment and resources for emergency response.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Production Practice 5.3

Summarize the basis for this Finding/Deficiencies Identified:

The ERP addresses the primary and alternate emergency response coordinators with explicit authority to commit the resources necessary to implement the Plan. In the procedure CHMS-08 08 Brigade Organization identifies lead coordinators and their alternates and authorizes them to commit resources, as necessary. The procedure CHMS-08 also identifies the brigade members by name. The annual training matrices requires training in the emergency response procedures, as well as use of self-contained breathing apparatus and barricading, among others. This is complemented with practice during the annual mock drills. Procedure CHMS-01 Transportation Emergency Procedure includes call-out procedures and 24-hour contact information for the facility brigade as well as Draslovka regional brigades. Procedures CHMS-01, CHMS-08 and CHMS-22 Emergency Plan and Personnel Duties (the ERP) specify the duties and responsibilities of the brigade. Procedures CHMS-01 lists the emergency response equipment and CHMS-04 Management of Emergency Kit for NaCN and HCN Medical Treatment lists the items for cyanide first aid. Procedure CHMS-01 states to inspect the emergency response equipment assure its availability when required; the auditor reviewed completed inspection sheets for the equipment in the rescue equipment room from throughout the recertification period. Procedure CHMS-04 describes the role for hospitals, the only outside entity that would be involved to treat patients exposed to cyanide.

Draslovka confirmed that outside entities relevant to the emergency scenarios for the facility as stated in Production Practice 5.1. are aware of their involvement and have been included in medical training. The outside entities with a role in the ERP are hospitals and even then, it is an offsite role for treatment of patients exposed to cyanide, as described CHMS-04. Local doctors participated in trainings offered by Draslovka and Chemours during the recertification period. The necessary information was available for the auditor's review.

Production Practice 5.4

Develop procedures for internal and external emergency notification and reporting.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Production Practice 5.4

Summarize the basis for this Finding/Deficiencies Identified:

The facility has procedures and contact information relevant to the emergency scenarios appropriate for the site. The first communication is internal to Management and the Management follows up with Dependencies and Authorities, as mentioned in the CHMS-01 Transportation Emergency Procedure and in the ERP. The Transportation Emergency Procedure contains contact information for regional and corporate management and the national chemical emergency response agency (Sistema de Emergencias en Transporte para la Industria Quimica [SETIQ]), which would then notify other agencies as appropriate. The ERP contains contact information for general emergencies, the Red Cross, the fire department, and the police as a precaution even though these entities do not have defined roles. CHMS-04 Management of Emergency Kit for NaCN and HCN Medical Treatment contains hospital contact information. Draslovka has not identified a need for other outside response providers.

The situation is communicated to Draslovka corporate management team, who takes the lead in media management. At the corporate level, Draslovka has the Mining Solutions Global Response Plan for Off-Site Incidents that addresses outside notifications and communications with the media. The document´s Appendix B – Mining Solutions Global Emergency Response Plan Phone List and Appendix D – Media Guidance address developing an official position and communication with different audiences, respectively. CHMS-01 also limits public communications to corporate staff.

The ERP includes a requirement and details to notify ICMI of any significant cyanide incidents, as defined in ICMI's Definitions and Acronyms document. No such communications have been made as there was no significant incident in the operation.

Production Practice 5.5

Incorporate remediation measures and monitoring elements into response plans and account for the additional hazards of using cyanide treatment chemicals.

The operation is	✓ in full compliance with	Production Practice 5.5
	☐ in substantial compliance with	
	☐ not in compliance with	

Summarize the basis for this Finding/Deficiencies Identified:

Draslovka procedure CHMS-05 Spill Management describes specific remediation measures to the limited extent that such procedures are needed for this facility and setting. Draslovka does not manage cyanide solutions at the facility; most surfaces are roofed, concrete, or asphalt; and the climate is arid. Nonetheless, CHMS-05 describes methods to wash surfaces and materials with a dilute (6%) sodium hypochlorite solution to destroy cyanide, and that the neutralization materials are to be treated as hazardous wastes. Provision of an alternate drinking water supply is inapplicable because the facility already provides bottled water for their staff, and there are no discharges to surface water or groundwater that might affect intakes or wells, respectively.

External contractor *GEN Industrial* (GEN) collects the contaminated waste and takes it to its collection center at the Hermosillo Collection Park. A Segutal transporter is also available to collect in case GEN is not available with transportation at the moment. The auditor reviewed examples of manifests for contaminated waste disposal, transportation and reception of hazardous waste (generator) received by *Recolectora de Desechos y Residuos King Kong S.A. de C.V.* (collection center). The auditor also reviewed King Kong's authorization for the state of Sonora to manage waste in the collection center modality, as well as that of GEN.

The ERP prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water or that could be expected to enter surface water, although all activities are performed inside the facility cyanide yard properly confined and waterproofed and away from bodies of water. There are no surface water bodies near the site.

The facility has in place procedures CHMS-05 Spill Management and CHMO-07 Sampling of Water or Sludge that address the potential for environmental monitoring to the limited extent that such procedures are needed for this facility and setting. Draslovka does not manage cyanide solutions at the facility; most surfaces are roofed, concrete, or asphalt; and the climate is arid. Nonetheless, CHMS-05 addresses visual identification of the extent of a spill of solid cyanide, and in the unlikely event that characterization of potentially affected water was needed, then CHMO-07 describes sampling and analysis.

Production Practice 5.6

Periodically evaluate response procedures and capabilities and revise them as needed.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Production Practice 5.6

Summarize the basis for this Finding/Deficiencies Identified:

The facility has provisions for reviewing and revising its emergency planning procedures on an established frequency. According to procedure CHMA-01 Development of Procedures and Standard Practices, the emergency planning procedures require review and revision every 2 or 3 years depending on their classification under CHMA-01. The header of each procedure lists dates for the original, current, and next revisions. The auditor observed that the emergency planning procedures (CHMS-01, -04, -05, -08, -09, -18 and -22) had been revised according to the required schedule and were current as of 2024. Also, through interviews with site personnel and emergency respond training records verified its implementation.

According to the annual drill program and procedure CHMS-34 Drill Planning – Protocol, Forms, an emergency mock drill of cyanide release was carried out in June 2024, with participation of 15 workers, including personnel from the Segutal transport company and Draslovka. Also in June 2024, another drill was carried out for an injured person with care and rescue by the emergency brigade, with 8 participants. On April 28, 2023, another drill was carried out where an injured and intoxicated person was found on the warehouse floor, with the participation of 8 workers. On September 2022, they carried out a drill to evacuate the site due to the activation of an alarm for hydrogen cyanide gas; 6 workers attended it. The auditor reviewed the drill reports, which include the participants assistance records, and pictures. All drills performed during this audit cycle covered the entire emergency response process from notification to emergency actions to closeout

After the drills, the participants meet to analyze the results of the exercise and then issue reports on these drills contained in the following formats: CHMS-34 Anex 2 Emergency Drill Planning Guide, Anex 3 Emergency Response Drill and Evaluation Form.

The ERP includes provisions to evaluate it and revise as necessary after any emergency that requires its implementation. This action can also arise from the procedure CHMS-20 Incident Investigation where corrective actions are taken through an action plan. The ERP contains a list of check boxes under the heading “administrative safety elements for the processes that failed.” If the box for “planning and emergency response” is checked, then the emergency response procedures would be evaluated and revised if necessary.