DRASLOVKA MEXICO SUPPLY CHAIN

Summary Audit Report

for the

International Cyanide Management Code

June 2025

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Introduction

Operation General Information

Name of Transport Operation:	Draslovka Mexican Supply Chain
Name of the Owner:	Draslovka Holdings, a.s.
Name of Operator:	Covoro Mining Solutions Mexicana S. de R.L. de C.V.
Name of operators in this Supply Chain	○ Covoro Mining Solutions Mexicana S. de R.L. de C.V. - Cyanide Consignor ○ Grupo FH Companies, Inc. (GFH) in Laredo, Texas, including its subsidiaries Interamérica Forwarding (IAF) and FH Logistica (FHL) ○ Canadian Pacific Kansas City (CPKC) – Rail transporter. ○ Ferrocarril Mexicano S.A. de C.V. (Ferromex) – Rail transporter. ○ Auto Lineas Regiomontañas S.A. de C.V. (ALR) - Trucking company ○ Draslovka San Luis Potosí Bag to Bulk Transloading Facility in San Luis Potosí ○ Draslovka Hermosillo Bag to Bulk Transloading Facility in Hermosillo ○ Transportes Especializados S.A. de C.V. (Segutal) - Trucking company
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Draslovka Mexican Supply Chain Location Detail and Description

Draslovka Mining Solutions (former DuPont and Chemours) manufactures solid sodium cyanide for the gold mining sector. Draslovka Mining Solutions (Draslovka) is part of the Draslovka Holding a.s. company, which is headquartered in Prague, Czech Republic. Draslovka originally started operating in 1906 and is dedicated to producing cyanide-based chemicals globally. Draslovka Memphis, Tennessee plant was one of the original 14 Cyanide Code signatory companies announced on November 3, 2005. The Plant was the first cyanide producer to achieve certification in June 2006 and has successfully maintained compliance and its International Cyanide Management Code (Cyanide Code) certification since.

Draslovka Mexican Supply Chain operates with the commercial name Covoro Mining Solutions Mexicana S. de R.L. de C.V. Draslovka contracts with truck and rail partners to transport cyanide briquettes from the Draslovka Memphis Plant into Mexico through Laredo, Texas and Nogales, Arizona. Cyanide is transported to the Draslovka Bulk Transloading Facility in San Luis Potosi (SLP facility) and the Bag to Bulk Transloading Facility in Hermosillo (HMO facility).

Rail shipments from the Draslovka Plant in Menphis, United States, to San Luis Potosi's warehouse started in 2006. Canadian Pacific Kansas City (CPKC) serves the Draslovka SLP facility starting in Memphis and transport cyanide to Laredo, a route of about 794 miles and cross to Sanchez in Nuevo Laredo to the Tamaulipas yard where the import train arrives and they set up the route according to the destination of each of their chemical trains.

Laredo; CPKC was born from the combination of two iconic railroads – Canadian Pacific and Kansas City Southern in 2023. The current route is 768 km from Nuevo Laredo to San Luis Potosi, and the transit time is approximately 25 hours. The product can be transported either in hopper cars or boxcars. Eighty tons hopper cars are used for transportation of products in bulk and 64-ton boxcars transport either Intermediate Bulk Container (IBC) wooden boxes (also called Bag in Box or B&B) and Ecopacks.

Ferromex is the rail carrier transporting solid sodium cyanide in Ecopaks and flobins via boxcars to the Draslovka Bag to Bulk Transloading facility in Hermosillo, Sonora beginning in Nogales, Sonora. No interim storage is involved in the rail transport by Ferromex. 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 actual route, a 270 km route in Northwestern Mexico, is from Nogales to Hermosillo and transit time is 8 hours. The product crosses the U.S. border through Nogales via rail to the Hermosillo terminal in box cars. It is also transported from Nuevo Laredo via the Memphis Laredo highway by Empire transport; and from Nuevo Laredo to Hermosillo by ALR transport. The product is also distributed to customers in Hermosillo directly in isotanks, and dry boxes with Ecopaks, IBCs and flobins.

Draslovka determined through due diligence evaluations of the rail carriers that their management of environmental, health, safety and security align with Code requirements.

Box cars transport packaged product to Hermosillo, while box cars transport packaged product and hopper cars transport bulk product to San Luis Potosi. Warehousing and transloading operations at these two locations are described in separate Production Recertification Audit Reports.

Trucked product enters Mexico through Laredo, Texas. Empire Express (Empire), a signatory to the Code, drops off trailers that were loaded with product at the Draslovka Plant in Memphis, Tennessee at a terminal and interim storage yard of Grupo FH Companies, Inc. (GFH) in Laredo, Texas. GFH is responsible for transporting solid cyanide from its terminal in Laredo, US, to the Auto Lineas Regiomontanas, SA de CV (ALR) terminal in Nuevo Laredo, Tamaulipas, Mexico. GFH is the parent company to two subsidiaries: Interamerica Forwarding, Inc. (IAF), which operates the terminal in Laredo and FH Logistica, S.A. de C.V. (FHL), which transports cyanide across the border to the ALR terminal in Nuevo Laredo.

Cyanide arrives packaged in Ecopaks from the Draslovka plant in Memphis at IAF terminal in Laredo in trailers owned by Empire Express Inc. (Empire). The Empire trailers are transported by FHL across the border, IAF transloads some Empire trailers into ALR trailers, which are also transported across the border by FHL. The Laredo terminal is used for interim storage and consists of a truck yard, warehouse, and administrative offices. Trailers with cyanide containers are temporarily parked in the yard while waiting for transport across the border or transloading from Empire trailers to ALR trailers followed by transport across the border. Two designated bays of the warehouse are used for transloading cyanide containers from trailer to trailer, but containers are not stored within the warehouse, being an interim storage according to the Code definition.

The route across the border is prescribed by government agencies. All hazardous material shipments must cross the Rio Grande River using the Columbia Bridge because this bridge has been designed with secondary containment to prevent spills from entering the river. Although the distance is short, the route takes up to several hours each way depending on traffic at the border crossing.

ALR is responsible for transporting solid cyanide from its terminal in Nuevo Laredo, Tamaulipas to the Draslovka facilities in San Luis Potosi, San Luis Potosi, and Hermosillo, Sonora. Routes are determined by Mexican regulations that restrict hazardous materials to transport on major toll highways. Transport follows a common route south from Nuevo Laredo to near Monterrey where the route to San Luis Potosi continues southward and the route to Hermosillo diverges westward. The route to Hermosillo traverses the southern Sierra Madre rather than a more northerly route along the Mexico-US border because a portion of the northerly route is not classified for hazardous materials transport. The route to San Luis Potosi requires approximately 13 hours one-way while the route to Hermosillo requires approximately 20 hours one-way.

At the facilities, bulk cyanide is transferred to isotankers and flobins for outgoing to customers via truck/chassis. Ecopaks are transferred to isotankers only when Ecopaks arrive damaged. Wooden boxes area not transloaded, they are stored at the facilities for outgoing to customers.

The last section of the supply chain, the land transport between the two Draslovka facilities and numerous consignees, is carried out by Segutal, a dedicated transporter to Draslovka, with headquarters in Mexico City and operations co-located at both Draslovka production facilities in Mexico. Segutal has co-located terminals at both Draslovka transloading facilities. Segutal transports solid cyanide in flobins, boxes, or Ecopaks via trailers, as well as via isotankers. Segutal does not open the containers. Segutal has established maintenance yards in San Luis Potosi and Hermosillo (separate from the terminals). No cyanide is present at these maintenance yards. The initial portions of the routes to the mines are determined by Mexican regulations that restrict hazardous materials to transport on major toll highways. The latter portions of the routes to the mines are often limited to a single paved or gravel road to a mine. Nonetheless, Segutal evaluates each route and possible options where available.

Draslovka, in addition to being the cyanide consignor of the Mexico Supply Chain, has emergency response brigades that would assist in transportation emergencies stationed at the warehouses in San Luis Potosi and Hermosillo. Draslovka also has conducted due diligence evaluations of the rail carriers.

According to the report by Draslovka, no sea transport was carried out during this recertification period.

Auditor's Finding

This operation is

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

with the International Cyanide Management Code**.**

Compliance Statement

This operation was found in full compliance with the Code. This operation has not experienced any significant cyanide incident during the previous three-year audit cycle.

Auditor Information

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

Auditor Attestation

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 ICMI Cyanide Transportation Verification Protocol for Cyanide Transportation Operations and using standard and accepted practices for health, safety and environmental audits.

Draslovka Mexican Supply Chain

Transport Verification Protocol

Principle 1 | TRANSPORT

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

Transport Practice 1.1

Select cyanide transport routes to minimize the potential for accidents and releases.

The operation is	✓	in full compliance with	Transport Practice 1.1
	☐	in substantial compliance with	
	☐	not in compliance with	

Draslovka has procedures for selecting transport routes to reduce accidents and releases. They evaluate routes and choose the safest option. Due diligence shows that rail transport is prioritized over truck transport due to lower population density and shorter distances. However, trucks are also used due to the volume of cyanide handled. In 2024, due diligences were reviewed for Canadian Pacific Kansas City (CPKC) and Ferromex.

Draslovka uses the First Order Process to evaluate truck routes from San Luis Potosi and Hermosillo to the mines. Before the first shipment, Product Safety staff visit the mine to check route risk assessments. This process also applies to changes in package types or after a three-year pause since the last delivery. The auditor reviewed forms confirming compliance. Draslovka controls its transporters through reviews, audits, and training.

The current route assessed for CPKC is 768 km from Nuevo Laredo to San Luis Potosi, with a transit time of approximately 25 hours. An alternative route is from Piedras Negras to San Luis Potosi, which is longer at 830 km and has an estimated transit time of 52 hours. The Piedras Negras route is not only lengthier in distance and time but also involves multiple interchanges since two railroad companies operate it. Therefore, the route beginning in Nuevo Laredo presents the most direct service to San Luis Potosi with minimal risk, and the alternative route is used only in exceptional circumstances.

Similarly, Draslovka evaluated Ferromex' s rail route to Hermosillo against truck transport. The primary route covers 270 km from Nogales to Hermosillo, with a transit time of 8 hours. The alternate route, spanning from Ciudad Juarez through Chihuahua to Topolobampo before reaching Hermosillo, extends to 1,440 km with a 72-hour transit time. This alternate route not only increases distance and travel time but also poses higher risks due to challenging terrain. In comparison, land transportation requires 1,800 km versus 270 km when utilizing the railroad.

The trucking companies assessed—Grupo FH Companies (GFH), Auto Lineas Regiomontañas S.A. de C.V. (ALR), and Transportes Especializados S.A. de C.V. (Segutal)—have established similar protocols for their land routes, integrating these procedures into their operations, with Draslovka approving the truck routes. All three transporters consider essential factors such as population density, roadway infrastructure, pitch and grade, proximity to bodies of water, and fog prevalence.

GFH follows its procedure FHT-G-IMP-101 Cyanide Transportation Route and conducts an annual assessment of route risks, despite the short route from Laredo to ALR's Nuevo Laredo yard. The auditor examined the cyanide route evaluation carried out in August 2024. They use technological tools like Google Maps, applying color codes and controls at the bottom of the map. Additionally, they maintain a verification checklist where risks are identified for each kilometer.

ALR follows the procedure P-714-05 for Route Evaluation and Analysis. The auditor reviewed route evaluations for San Luis de Potosí and Hermosillo, assessing population density through data from the national statistics institute, ANIQ (National Association of the Chemical Industry), and SETIQ (Emergency Transportation System for the Chemical Industry). These evaluations highlighted security issues, including circulation schedules. Population density is identified, and cities are bypassed when alternative routes are available. Infrastructure documentation includes road type, pitch, grade, rockfall zones, curvy stretches, speed limits, and other conditions. Areas for breaks, meals, and overnight stays are noted. Weather conditions along the route, as well as rivers and water bodies, are also documented.

After the route evaluation, a Point-to-Point Report is issued containing information on road conditions, travel times, tollbooth locations by section, and identified rest points with surveillance, telephone signal availability, basic services for personnel, and parking space. This information is mapped out. Drivers carry a map identifying communication black spots, route risks including theft statistics by area, and mitigation measures. The operation also issues a Route Plan, which includes a security inspection carried out by the Health and Safety area of ALR. This involves a documentary inspection of the driver, checking cargo seals, vehicle conditions, and performing an antidoping test on the driver.

Segutal select routes by mean of the procedure PO-04 Route Evaluation where the route infrastructure is documented, including the road type, pitch, grade, rockfall zones, curvy stretches, speed limits, communication blackout zones, police stations, military checkpoints, and other conditions. Areas for breaks, meals, and overnight stays are noted. Rivers, channels, bridges, areas of fog, and water bodies are noted. According to Mexican regulations from SICT (Secretariat of Infrastructure, Communications and Transport) NOM-12 It is mandatory the transporter to assess any new route before cargo departure; the carrier must verify the origin and destination. Segutal hires the software Global Maps, software suggested by SIC, to assess risks and consult with other operators with experience of the route. Also consults Mexican institutes as INEGI (National Institute of Statistics and Geography) as well as with federal roads and bridges the CAPUFE (Federal Roads and

Bridges) who are responsible for the maintenance of roads and have available data on the state of the route including accidents. For the route evaluation travels the operator with Health and Safety Coordinator, issuing a report of route evaluation, which is a guide to the road that indicates the available services and the safety measures carried out. The auditor reviewed examples carried out in June 2023 for the route San Luis Potosi to San Julián mine valid until 2025 or until there is a need to reevaluate it due to some change. This report is validated by the client (Draslovka), the mine and Segutal.

Draslovka and its transport contractors have established procedures for route selection that include evaluating the chosen route to determine if additional precautions are necessary at specific points. Areas posing increased risks are identified, and appropriate measures, such as reducing vehicle speed, are documented for driver training purposes. These procedures mandate conducting a risk analysis and outline the steps for preparing roadmaps for all routes covered by the organization during transport services. Once risks are identified, necessary control measures must be established to manage these risks.

Additionally, the procedures require the preparation and updating of road maps when there is a new route, changes in conditions, or upon customer request. The aspects recorded include unsafe conditions (road condition, weather conditions, and traffic), speed limits for different sections, road signs and prohibitions, bridge heights, tunnels, hill ridges, water crossings, population density, mist zones, and other transport safety considerations. Input from mine customers is considered when determining routes. Draslovka reviews and approves the routes used by its transporters, ensuring that the trucking companies' procedures conform with the requirements of the cyanide consignor, Draslovka.

GFH manages risks for its single route as outlined in procedure FHT-G-IMP-101 Cyanide Transportation Route. The main risk involves crossing the Colombia Bridge over the Rio Grande River. GFH coordinates with Codefront, which operates the bridge, and Civil Protection. During the annual recertification period, letters are sent to inform them of the hazardous materials transported by GFH. Codefront develops risk evaluation and emergency response measures.

ALR's procedure P-714-05 Route Evaluation and Analysis document categorizes risks and routes as ideal, alternative, or extreme, even though there may be only one route permitted by law for hazardous materials. Each route analysis includes a table of risks and mitigation measures.

At Segutal, proposed routes are investigated using various online resources and then driven by the Segutal Security Chief to document risks and evaluate possible options. After preparing the results of the route evaluation (procedure PO-04 Route Evaluation), the Segutal General Manager approves the routes, followed by approval from the Draslovka Regional Manager at the San Luis facility. Each route analysis contains matrices of recommended security measures by road reach. Segutal has established several routes from the Draslovka San Luis Potosi facility and from the Hermosillo facility.

Draslovka, as the cyanide consignor, has also implemented a program to conduct regular

due diligence with the rail transporters Ferromex and CPKC. These due diligence evaluations have included training, emergency scenarios, response actions, the roles of external responders, and other factors. The auditor reviewed examples of the route analysis, including risk assessments and control measures, as well as due diligence verifying compliance.

Draslovka and its transport contractors periodically reevaluate cyanide transport routes to identify new risks. This is done through formal administrative reviews, driver reports via WhatsApp, and periodic route inspections. Draslovka controls its transporters' route evaluations through due diligence, internal audits, and training courses.

GFH's manager conducts annual route evaluations, as verified during the Laredo to Nuevo Laredo evaluation for this certification period. Drivers give informal feedback on notable conditions.

ALR reevaluates routes biannually, confirmed by revision registers on each route analysis. Drivers provide feedback through written reports, and after each trip, road conditions are logged and monitored by the health and safety area. The auditor reviewed Route Analysis from Nuevo Laredo to San Luis Potosi and Route Condition Reports.

Segutal has established a protocol for route evaluation that includes re-evaluating routes for cyanide deliveries. The first page of each route evaluation indicates the period of validity, ensuring that evaluations are up to date. Additionally, Segutal has implemented a process to obtain driver feedback through written reports. The auditor reviewed the La India Mine Route Evaluation and examples of trip reports.

The trucking companies conduct periodic formal reviews of their routes. They also utilize various mechanisms for rapid, informal feedback on route conditions. Interviews with drivers and management personnel confirmed that feedback concerning driving conditions is effectively communicated. Notable conditions reported by customers are documented and shared with all drivers assigned to the route.

Records demonstrated that the transporters periodically carry out route risk assessments and participate in meetings with the cyanide consignor.

All transporters in this supply chain document identified route risks in writing for driver training and reference. Sharp turns, proximity to water bodies, and high population areas require special precautions listed in route risk assessments, including speed reduction, co-drivers, daylight driving only, experienced drivers, load weight reduction, and specialized training. Draslovka oversees these controls through reviews, audits, and training.

GFH's route evaluation includes road types, junctions, bridges, stations, and airports, with Colombia Bridge posing the highest risk. Codefront has an emergency plan for the bridge, while GFH informs Codefront and Civil Protection of hazardous materials annually and conducts joint drills.

ALR and Segutal evaluate cyanide transport routes, establishing controls such as recommended speeds, no stopping zones, and approved rest stops. Draslovka's due

diligence on rail carriers Ferromex and CPKC complies with Transport Practice 1.1.

Route evaluations cover risks from population density, infrastructure, terrain, water proximity, poor driving conditions, security issues, and cell phone coverage, with records available for review.

Draslovka has engaged stakeholders in route selection and risk management through collaboration with the Mexico National Association for the Chemical Industry (ANIQ), the Mexico System for Transport Emergencies for the Chemical Industry (SETIQ), and regional mining associations, such as the Sonora Mining Cluster. For instance, the Sonora Mining Cluster released a Manual for First Responders to Chemical Emergencies in Sonora, incorporating Draslovka's input.

GFH annually communicates with Codefront, Civil Protection, and firefighters from Nuevo Laredo, providing necessary updates on risk management measures. Government agencies in the US and Mexico have designated a single route for hazardous materials crossing the border over the Columbia Bridge at the Rio Grande River. Additionally, Codefront has formulated an emergency response plan for the bridge, outlining specific risk management measures.

ALR procedure P-714-05 for route selection mandates transporters to gather input from government agencies through circulars and bulletins. ALR acquires information online from bulletins issued by SETIQ and CANCAR (National Chamber of Cargo Transportation) due to safety concerns about contacting authorities directly on the road in Mexico. The auditor reviewed examples of these bulletins throughout the recertification period to verify compliance.

Segutal procedure PO-04 for route selection outlines indirect sources of route information from stakeholders, including Mexican government transportation and road/bridge agencies (Secretaria de Transportacion y Comunicaciones [SCT] and Caminos y Puentes Federales). These agencies provide real-time updates via Twitter feeds. Segutal also consults Global Maps, a database recommended by the SCT. Segutal personnel indicated that community input is gathered through their operators.

Truck convoys carrying hazardous materials on public roads are prohibited by law in México. Occasionally, drivers from various companies will informally convoy on private roads in remote areas. However, trucking companies implement administrative controls in areas of special concern, such as prohibiting driving at nighttime. The auditor confirmed through interviews with management personnel that cyanide transport operations are performed exclusively during daylight hours.

GFH, given its short journey at the border crossing from Laredo to Nuevo Laredo, adheres to the authorities' instructions and utilizes the Colombia Bridge dedicated to hazardous materials.

ALR, according to their route evaluation procedure, monitors the route via GPS and issues reports every two hours on the location of the load, sending reports via Fast Track to both

the client and the established internal distribution list. The trucks depart in groups, maintaining their distance without forming a convoy, as this practice is not permitted.

Segutal' s route selection procedure includes provisions for using measures such as escorts and guards when necessary. For instance, in the state of Chihuahua, they employ escorts to assist in emergencies on the road.

Draslovka controls its subcontractors through procedures, questionnaires, and site visits, focusing on selection, safety, and emergency response. Trucking companies have integrated these procedures into their own. Draslovka approves transport routes and ensures no subcontracting of cyanide handling occurs. Every three years, due diligence audits are conducted for rail carriers and ports, covering training, security, safety, and emergency response. The audits for Ferromex and CPKC are compliant.

Transport Practice 1.2

Ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.

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

Draslovka requires its trucking transport contractors to use only operators who are properly qualified, trained, and licensed via their legal contracts with GFH, ALR, and Segutal (confirmed by interview). Draslovka has exercised control over its transporters concerning operator requirements during due diligence reviews for Ferromex and CPKC, internal audits of the trucking companies, and training courses in sodium cyanide emergency response during this recertification period.

All contractors in this supply chain use operators who are trained, qualified, and licensed to operate their vehicles. The contractors have implemented written procedures with requirements that consider factors such as driving experience, medical examinations, education level, criminal record, vision tests, psychological interviews, drug/alcohol tests, and reference checks, among others. In accordance with Mexican laws, truck drivers for large loads and/or hazardous materials must obtain a Type E license from the Secretary of Communications and Transport (Secretaria de Comunicaciones y Transportes [SCT]), an agency of the Mexican government, and renew the license every two years. The transporters demonstrated that personnel operating their cyanide transport trucks and trailers were trained, qualified, and had the specific licenses required to operate the trucks in their jurisdiction. The transporter Grupo FH Companies, Inc. (GFH) use forklifts in transloading cyanide from Empire Express trailers to Auto Lineas Regiomontañas (ALR) trailers. The rest of carriers do not use handling equipment such as forklifts and cranes in

cyanide transport operations.

GFH's requirements for drivers and equipment operators include minimum and maximum age, Type E federal license for hazardous materials, at least one year of experience with two years preferred, and level of education. Entry medical/psychological exams were also required. A list of operators confirmed that the license requirements have been met and are current. GFH has annually trained its equipment operators and drivers according to a training program, as confirmed by a list of operators with license type and expiration date. The auditor interviewed a truck operator with 16 years of experience transporting hazardous materials at the company to confirm compliance.

ALR requires two years of experience in addition to a Type E license, which includes entry medical/psychological exams and training in mechanical knowledge; it also performs antidoping tests and conducts driving tests by the most experienced operator making several trips both on the road and in the maneuvering yard. A list of operators confirmed that the license requirements have been met and are current. Training matrices and records confirm that drivers have been trained annually.

Segutal has about 26 drivers authorized to transport cyanide, according to the revised list. Each driver is assigned their unit. The company has 38 trucks transporting cyanide. A Type E license is required to transport hazardous materials (Hazmat). The company requires a minimum of three years of experience in transporting Hazmat, plus an additional two years working in the company before they can transport cyanide, as established in the Human Resources procedure. To recruit drivers, the first step is an anti-doping test carried out by the medical area, followed by a driving test conducted by a Champion Driver. Then, a psychometric exam in accordance with the Human Resources protocol and a medical examination managed by the company's medical area is conducted, per procedure P-720-01 Section 5.2 Operator Selection, which also requires an interview with the operator and a confidence test.

According to Mexican law, Ferromex and CPKC train crews have a federal license. Crews have received hands-on hazardous materials training from the Center for Transportation Community Awareness and Emergency Response (Transcaer).

All truck operators transporting cyanide are trained to follow safe and environmentally friendly practices. These companies move solid cyanide in isotankers or sealed containers that are loaded and unloaded by staff at production plants, storage locations, or mines.

Draslovka ensures that contractors' drivers are qualified and trained through legal agreements and offers General Cyanide Overview and Cyanide Transportation Safety courses. Draslovka monitors transporter training through due diligence reviews, internal audits, and courses.

Transporters include topics such as managing fatigue, defensive driving, security, and general health in their annual training programs. Courses also cover Mexican laws, hazardous waste handling, satellite tracking, inspections, record-keeping, and basic maintenance.

The auditor reviewed training materials, attendance lists, and certificates to ensure compliance. Interviews with drivers, dispatchers, management, and maintenance personnel confirmed their training in cyanide transport operations.

GFH's Annual Training Program includes initial and refresher training for cyanide transport safety, emergency response, fire prevention, and first aid.

ALR's training covers cyanide transport, hazardous materials, emergency response, inspections, and theft prevention. The auditor verified compliance through records and exams.

Segutal has a thorough training procedure, an annual program, and a system to monitor progress. Training includes documentation, route evaluation, unit tracking, loading, emergency response, cyanide management, spill control, and personal protective equipment.

The rail carriers have been assessed at this Standard of Practice level in their respective due diligence reports and were found to be complying. Refer to exhibits A and B for details.

Draslovka controls its subcontractors through procedures, questionnaires, and site visits to ensure safe cyanide handling and transport with minimal risk. The auditor verified compliance with these questionnaires. Transporters do not subcontract cyanide handling or transport. Evaluations cover training, security, safety, emergency scenarios, response actions, and roles of external responders.

Transport Practice 1.3

Ensure that transport equipment is suitable for the cyanide shipment.

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

The supply chain exclusively utilizes equipment that is specifically designed and maintained to handle the designated loads. Draslovka has verified that isotanks, rail hopper cars, and rail boxcars are all designed and maintained according to the required load specifications. The maintenance of trailers is conducted by their respective owners, namely Empire, ALR, and Segutal.

TriFleet Leasing (TriFleet) has leased isotankers to Draslovka in accordance with the standards set forth by the International Organization for Standardization (ISO) and certified by Bureau Veritas as suitable for the specified loads and pressures. As part of the Bureau Veritas certification program, isotanks undergo air-pressure testing every 2.5 years and water-pressure testing every five years.

According to the Summary Audit Report for the United States/Canada Rail and Barge Supply Chain, Draslovka owns boxcars and hoppers and has contracted a maintenance service provider for these assets. Similarly, the Summary Audit Report for Empire confirms that trailers have been properly maintained. Draslovka has exercised rigorous control over its transportation partners regarding equipment design and maintenance through due diligence reviews, internal audits, and comprehensive training programs.

GFH operates 445 horsepower Freightliner Cascadia trucks, with four units being 7 years old and replaced every 10 years. Preventative maintenance is performed every 16,000 kilometers by an external contractor. Invoices show that both preventative and corrective maintenance were done throughout the recertification period. Trailers are maintained by their owners, Empire and ALR. GFH's forklifts are serviced by Toyota under a contract.

ALR's fleet consists of Kenworth, Scania, and Volvo trucks, each with 450 horsepower, undergoing preventative maintenance every 60,000 km. Their software creates Service Orders based on the mileage reported. In the U.S., predictive maintenance involves analyzing engine oil to detect metal contents. The fleet has 32 tractors, 20 trailers, and chassis for cyanide transport. Preventive maintenance for tractors is scheduled at every 15,000 km. Trailers, which have a 36-ton capacity, are inspected at both 10,000 km and 100,000 km, with attention to brakes, beams, gunwales, and structural integrity. The auditor reviewed maintenance schedules, historical records, and visited the Monterrey shop, confirming compliance with procedure P-713-02 and adherence to Mexican regulation NOM-012-SCT-2-2017 regarding federal road weight and dimension limits.

Segutal follows PO-04 Route Evaluation procedures, standardizing their fleet to handle unconventional routes with features like highways, dirt roads, and steep slopes. Their trucks are equipped with air suspension (NOM-012-SCT-2-2017), hydraulic steering, 450 hp engines, and 18-speed transmissions. Brands include Kenworth and Freightliner. The auditor confirmed compliance through technical sheets. Cargo boxes measure 20, 40, and 48 feet with a capacity of 22,755 kg. The isotank carriers (chassis) belong to Segutal, and 20-foot isotanks are owned by Covoro.

Segutal maintains tractors, trailers, and chassis for cyanide transport, with maintenance yards in Hermosillo and San Luis Potosi, separate from terminals. Preventative maintenance is based on run time or kilometers, while corrective maintenance addresses identified issues. The process includes requests, inspections, confirmations, work orders, invoicing, and completion.

Ferromex and CPKC rail cars adhere to U.S. and Mexican regulations. The Draslovka Plant in Memphis, Tennessee, loads the boxcars and hoppers under the International Cyanide Institute (ICMI) certification. Rail carriers monitor sealed boxcars and rails to detect anomalies using track instruments.

The auditor reviewed the maintenance procedures and programs for cyanide transportation, addressing the responsible practices for sodium cyanide transportation to ensure that safety standards are met and maintain the integrity of the packaging

throughout the journey. Also reviewed documentation of the load capacities as evidence of compliance, reviewed maintenance records and interviewed maintenance personnel to verify that the transporter's procedures are followed. Each trucking company commissions preventive maintenance activities to external authorized workshops according to its respective truck brand, depending on the area where trucks are working.

The auditor conducted interviews with the transport managers to verify compliance with the provision. Shipment records were examined to confirm that standard weights within the capacity of tractors, trailers, and containers were being shipped. Weight capacities and adherence to cargo inspection requirements were reviewed during the audit and found to be compliant. Shipping records indicated that equipment was not overloaded.

Draslovka has exercised control over its transporters regarding load adequacy during due diligence reviews, internal audits, and training courses.

GFH has implemented documented visual inspections to verify the adequacy of the equipment for the loads it will bear. These inspections are recorded on the Daily Unit Inspection Checklist FHT-F-MTO-102, which covers the tractor, while the Equipment and Interchange Inspection Forms cover the trailers. Collectively, these inspections include checks of tires, rims, axles, suspension, chassis, nuts/bolts, air/hydraulic lines, brakes, connections, and other components. Forklifts are inspected on a weekly basis, as confirmed by the auditor who reviewed examples of the Electric Forklift Checklists.

ALR has also implemented documented visual inspections to ensure the adequacy of the equipment for the loads it will bear. The SCT requires daily inspections that cover each side of the tractor, trailer, or intermodal container, including tires, rims, axles, suspension, chassis, nuts/bolts, air/hydraulic lines, brakes, connections, and others. The daily inspection forms specifically mention conditions related to load-bearing performance, such as fissures and cracks in various components. The auditor reviewed examples of the Daily Visual Inspection Forms to verify compliance.

Segutal follows procedure PO-06 Loading Units to review the physical, mechanical, and safety conditions of vehicles for operation, and for roads and bridges, as stated by the Segutal Security Chief. Segutal conducts documented daily visual inspections to verify the adequacy of the equipment for the loads it will bear. These inspections, required by the SCT, cover each side of the tractor, trailer, isotanker, or intermodal container, and include tires, rims, axles, suspension, chassis, nuts/bolts, air/hydraulic lines, brakes, connections, and other components. The daily inspection forms note conditions related to load-bearing performance, such as fissures and cracks in various components. The auditor reviewed examples of the Daily Inspection Forms to verify compliance and also examined biannual verification reports issued by authorities (technical reviews of the vehicles) and travel logs where any news is recorded at the end of trips. The auditor verified that inspections were completed before each shipment service and interviewed truck drivers to evaluate compliance with this provision.

The rail carriers have been evaluated at this Standard of Practice level during their

respective due diligence processes and were found in compliance, as detailed in exhibits A and B.

Draslovka has managed the loading of trailers at its ICMI-certified Draslovka plant in Memphis, Tennessee, adhering to controlled procedures to prevent overloading. This practice is also applied to boxcars and hopper cars for rail shipments. Additionally, Draslovka has loaded isotankers at its ICMI-certified facilities in Hermosillo and San Luis Potosi using similar procedures. The company ensures its transporters adhere to these procedures through due diligence reviews, internal audits, and training courses.

GFH follows the TER-G-REC-107 Guide for Sodium Cyanide Transfer, limiting the number of Ecopacks to 19 per trailer to avoid overloading. For Empire trailers transloaded to ALR trailers at the Laredo terminal, hazardous materials shipping manifests throughout the recertification period indicated compliance with the required load limit of 19 boxes. Several documents, including the border crossing permit and the invoice, show the actual load carried by each truck. The allowable load, as per SCT Table of Weights and Dimensions under regulation NOM-012-SCT2, permits a maximum weight of 46.5 tons, whereas the average weight of a loaded trailer is approximately 27 tons. The auditor reviewed these documents from each transporter to verify compliance.

While ALR does not load trailers or intermodal containers, other entities in the supply chain have implemented measures to prevent overloading. According to P-851-14 Cyanide Transportation, ALR's role involves verifying paperwork to ensure the actual load is below the allowable limit upon departure. Documents such as the border crossing permit, invoice, and hazardous material manifest detail the actual load. The auditor examined these records and verified compliance with regulatory limits on weight.

Segutal follows procedures to prevent overloading during the transportation of cyanide, loading trailers at Draslovka's San Luis Potosi and Hermosillo plants according to PO-06 Loading Units, Section 5. Segutal does not load intermodal containers. Compliance with allowable load limits set by SCT Table of Weights and Dimensions was confirmed through document review by the auditor, who examined shipping documents carried in each truck.

The rail carriers were evaluated for compliance with this Standard of Practice during their due diligence processes, as detailed in exhibits A and B. Shipping documents from each transporter were reviewed to ensure adherence to weight capacities and regulatory requirements. Equipment used for transporting cyanide was found capable of handling loads within prescribed regulatory limits. All personnel demonstrated an understanding of weight capacities and relevant regulations.

Draslovka, as the cyanide consignor, regularly visits and evaluates subcontractors to ensure Code compliance. The auditor reviewed reports confirming this compliance.

Transport Practice 1.4

Develop and implement a safety program for transport of cyanide.

The operation is	✓	in full compliance with	Transport Practice 1.4
	☐	in substantial compliance with	
	☐	not in compliance with	

Draslovka has managed the loading procedures at its ICMI-certified plants in Memphis, San Luis Potosi, and Hermosillo to ensure package integrity for trailers, boxcars, hoppers, and isotankers. They have controlled packaging during due diligence reviews, internal audits, and training courses.

GFH ensures the integrity of packaging by inspecting trailers at the Laredo terminal. Incoming trailers are visually inspected per TER-G-REC-100 Guide to Registering Goods at the Booth and recorded in Equipment Interchange and Inspection forms. Outgoing trailers are checked using the daily unit revision form. Inspections identify any damage that could affect container contents. For Empire trailers transloaded to ALR trailers, Ecopacks are inspected following TER-G-REC-107 Guide for Sodium Cyanide Transfer. Damaged Ecopacks are repaired according to TER-G-REC-108 Guide to Dealing with Sodium Cyanide Spills During Transfer.

ALR does not open the sealed trailers or intermodal containers; their role is to inspect the exterior for any damage that might affect the integrity of the containers inside. As per P-853-0202 Equipment Inspection and Interchange, the driver and gate guard conduct inspections of the trailers before they depart from the Nuevo Laredo Yard. During transit, drivers perform daily inspections of the exteriors of the trailers and intermodal containers. The auditor reviewed examples of these exit inspections (Interchange and Inspection Forms) and daily inspections (Daily Visual Inspection Forms) throughout the recertification period to verify compliance.

Upon receipt, the checklist for exchange and equipment inspection is executed and completed, encompassing an inspection of the box and seals. There is a daily visual inspection log maintained upon departure from Nuevo Laredo, which includes documentation of the seal number. At each stop, subsequent to the initial departure, multiple formats for trailer operation are performed. These legal requirements include inspections of door locks, fifth wheel connections, signs, and a route inspection report conducted by the company's health and safety supervision, which includes observations on the seal numbering and integrity.

Segutal ensures cyanide is transported securely. Trailers are loaded at Draslovka San Luis Potosi and Hermosillo plants, while isotankers are loaded at both facilities. Segutal does not load intermodal containers. Procedure PO-07 outlines securing loads with nets to prevent

movement. Section 4 of PO-06 mandates packaging inspection, with security seals verifying integrity. Daily inspections of trailers, isotankers, or containers detect any damage. The auditor reviewed Daily Visual Inspection Forms for compliance. Box distribution plans include slings and nets anchored to side hooks. Isotanks are secured with seals blocking twist lock rotation.

The rail carriers perform pre-trip inspections to ensure the condition of the boxcars and hoppers, verifying the presence of the appropriate placards and an intact original seal from the Draslovka plant in Memphis. Both rail carriers have also placed their seals on the boxcars and hoppers. Ferromex requires pre-trip medical and drug and alcohol testing for the crews, while CPKC has similarly conducted medical and drug and alcohol testing for the crews.

Draslovka has overseen the loading of trailers hauled by Empire at its Memphis, Tennessee plant and has thereby ensured proper placarding and signage for cyanide shipments. This procedure also applies to boxcars used for rail shipments. Additionally, Draslovka has managed the loading of trailers and isotankers at its ICMI-certified facilities in Hermosillo and San Luis Potosi, following procedures that guarantee accurate placarding and signage. During due diligence reviews, internal audits, and training courses, Draslovka has maintained control over its transporters with respect to placarding.

GFH has adhered to US and Mexican regulations by placing the United Nations 1689 placard on both sides, front, and back of the tractor/trailer unit. Extra placards are stored at the warehouse. The auditor conducted an interview with a driver and inspected a tractor and several trailers at the Laredo terminal to ensure compliance.

ALR has complied with Mexican law by attaching the United Nations 1689 placard on both sides, front, and back of the tractor/trailer unit. Drivers carry an extra placard for contingencies. The auditor interviewed a driver and inspected a tractor and several trailers at the Nuevo Laredo Yard to confirm adherence to regulations. Photographs showing the placarding of intermodal containers were also reviewed to ensure compliance.

Segutal has followed Mexican law by affixing the United Nations 1689 placard on both sides, front, and back of tractors, trailers, isotankers, and intermodal containers. The auditor conducted interviews with drivers and inspected tractors, trailers, and isotankers at Segutal terminals in Draslovka plants located in San Luis Potosi and Hermosillo to verify compliance. Additional reviews of photographs depicting the placarding of intermodal containers were carried out to confirm adherence.

The rail carriers' compliance with this Standard of Practice was thoroughly evaluated during their due diligence processes, as detailed in exhibits A and B.

Draslovka has controlled its transporters' safety programs through due diligence, audits, and training.

GFH vehicles undergo daily inspections for both tractors and trailers using specific forms. The seven tractors for cyanide transport are maintained every 16,000 kilometers or 4 months in Nuevo Laredo by an in-house contractor. Maintenance records show consistent

preventative and corrective work. Trailers are maintained by their owners, Empire and ALR. Driver hours are from 5 AM to 10 PM with required rest periods, tracked via daily logs. For Empire trailers not transloaded, load-shifting prevention is managed by other entities during loading. At Laredo, GFH braces and blocks loads according to TER-G-REC-107 Guide for Sodium Cyanide Transfer guidelines. Transportation changes are communicated through dispatch as needed. Drivers must contact Transfer Coordinators and the Direct Supervisor. Annual random drug and alcohol testing is conducted and analyzed by Laredo Antidoping Agency, Inc. Compliance and documentation retention were verified at the Laredo terminal.

ALR has implemented a comprehensive safety program encompassing vehicle inspections prior to departure through the use of two forms: Pre-trip Inspection Forms and Equipment and Interchange Forms. The program also includes the maintenance of its fleet of tractors and trailers dedicated to the transport of hazardous materials, including cyanide. Preventative maintenance is scheduled based on distance—specifically, 15,000 kilometers for tractors and 100,000 kilometers for trailers. The auditor reviewed examples of maintenance records that demonstrated both preventative and corrective maintenance had been completed and observed the Monterrey maintenance shop.

Driver operating hours are restricted from 5 AM to 10 PM with mandated rest periods, and these hours are tracked using the SCT-required Daily Hours Driven Form. Code-certified entities are responsible for preventing load shifts during loading, such as Draslovka at the Memphis Plant and GFH at the Laredo terminal.

Procedure P-851-14 Cyanide Transportation outlines the protocols for modifying or suspending transportation if necessary. Drivers undergo annual drug testing and biannual alcohol testing per trip, as specified in P-714-01 Operator Medical Control. The auditor reviewed Enroute Inspection Forms that confirmed alcohol testing at a designated stopping point outside of Monterrey. Additionally, the auditor observed extensive documentation, both hardcopies and digital PDFs, verifying that ALR has maintained records confirming these activities were conducted.

Segutal has implemented a comprehensive safety program that includes vehicle inspections before departure using the Daily Visual Inspection Form and maintains its fleet at maintenance yards located in San Luis Potosi and Hermosillo. Preventative maintenance is conducted based on runtime or kilometers, while corrective maintenance addresses issues identified during inspections. Section 1.3 of PO-04 limits drivers' hours from 5 AM to 10 PM, which are tracked using the SCT-required Daily Hours Driven Form.

Procedures to prevent load shifting in trailers are outlined in PO-07 Blocking and Bracing. Draslovka handles loading isotankers by adding specified amounts of cyanide into each of the three loading domes to ensure even distribution. Segutal does not handle the loading of intermodal containers. Procedure PO-09 Emergency Response describes how transportation can be modified or suspended in case of public contingencies or extreme weather.

Procedure PO-01 Personnel Recruitment requires all Segutal staff, including managers,

administrative staff, operators, and mechanics, to participate in an anti-doping program. Drivers undergo random drug tests twice annually via urine tests for five different drugs and once per year via a blood test. Alcohol breath tests are administered to each driver before every trip. The auditor observed extensive documentation, both in hard copy and pdf format, confirming that Segutal retains records of these activities.

The rail carriers' compliance with this Standard of Practice was meticulously evaluated during their due diligence processes, as detailed in exhibits A and B.

Draslovka controls its subcontractors. Transporters do not subcontract cyanide handling or transport.

Transport Practice 1.5

Follow international standards for transportation of cyanide by sea.

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

Draslovka and their subcontractors do not transport cyanide by sea in the Mexico Supply Chain.

Transport Practice 1.6

Track cyanide shipments to prevent losses during transport.

The operation is	✓	in full compliance with	Transport Practice 1.6
	☐	in substantial compliance with	
	☐	not in compliance with	

Draslovka oversees its transporters' vehicle communication systems through due diligence reviews, internal audits, and training programs. All drivers in this supply chain are equipped to communicate with the transport company, the mining operation, the cyanide producer, and emergency responders as needed. Their procedures for cyanide transportation require all trucks to have communication equipment.

GFH trucks have multiple communication tools, including company cell phones, GPS units with two-way voice capability, and a panic button. They have the procedure. The GPS operates according to FHT-I-ADM-101 Work Instruction for GPS Unit Location instructions. Contact cards for GFH, Draslovka, and emergency responders in the US (Chemtrec, United

States Environmental Services) and Mexico (SETIQ, Civil Protection, Codefront) are carried by terminal staff and drivers. The auditor confirmed this equipment was present and functional through interviews and inspections. The monitoring center is located in Mexico City. They also have the GFH-L-SEG-17 procedure Response Plan for Loss of GPS Signal.

ALR trucks are outfitted with various communication tools, such as company cell phones, GPS systems, panic buttons, and in some cases, CB radios. Procedures P-851-14 Cyanide Transportation and SE-85101-05 Unit Satellite Tracking detail the use of GPS monitoring and mandate cell phone checks when leaving Nuevo Laredo Yard. The pre-trip inspection involves a cell phone check, and weekly forms ensure that the GPS is working properly. The driver's packet includes emergency contact information for SETIQ, Draslovka, and ALR. The auditor confirmed that this equipment was present and functional.

Segutal has equipped its trucks with various communication tools to ensure connectivity with terminals, the main office, Draslovka, and emergency responders. Drivers have been provided with company cell phones, while trucks are outfitted with global positioning systems (GPS), panic and support buttons, and citizen band radios. The GPS units feature two-way voice capability. Tracking and monitoring procedures for these communication devices are detailed in document PO-05 Unit Tracking. Contact numbers for Draslovka and Segutal facilities in Mexico are included on laminated cards carried by drivers. Additionally, Segutal trailers and isotankers display stickers with contact information for SETIQ. The auditor conducted an inspection of the trucks at the Hermosillo maintenance yard to verify the presence and functionality of the communication equipment.

Ferromex tracks cyanide shipments using GPS, video surveillance, and crew radio check-ins at its Operations and Safety Control Centers. CPKC also uses GPS, video, and drone surveillance at its Dispatch Center. Neither has found blackout zones along their routes. Ferromex uses SAP software for inventory management, while CPKC uses MyKCS software. Ferromex hires guards for each train via a security firm, whereas CPKC employs four security firms and receives additional protection from the Mexican army. Both companies hold Customs and Trade Partnership Against Terrorism (CTPAT) certification.

Draslovka has managed its transporters by testing communication equipment during due diligence, audits, and training.

GFH has conducted regular tests on the communication equipment to ensure proper functionality. According to an interview with a GFH operator, the cell phone is checked upon departure from the Laredo terminal. The flowchart outlined in FHT-I-ADM-101 Work Instruction for GPS Unit Location describes the GPS monitoring process. Daily buttons action checks, as specified in FHT-F-MTO-107 GPS Inspections for Border Crossing Units and implemented in early 2021, have documented that the GPS, voice capability, screen, and panic button are operational. Additionally, truck tracking spreadsheets from the recertification period have confirmed that the GPS was functioning at key points along the route, including US Customs, the Columbia Bridge, Mexican Customs, and the ALR Yard in Nuevo Laredo. Lastly, the auditor observed screenshots of live GPS tracking during the site visit.

ALR has conducted periodic tests on the communication equipment to ensure it functions correctly. Procedure P-851-14 Cyanide Transportation and SE-85101-05 Unit Satellite Tracking outline the active monitoring via GPS, which includes two-way communication capabilities. As part of Procedure P-851-14, a cell phone check is required during the departure process from the Nuevo Laredo Yard, and this step is included in the Pre-trip Inspections checklist. The weekly satellite tracking system function forms have recorded that the GPS is operational. Additionally, the active monitoring forms, which document check-ins at specified points along the route, have also verified the functionality of the cell phones. The auditor reviewed samples of these forms to confirm compliance.

ALR Work Instruction SE-85101-05 Satellite Tracking of Units v8 revised Section 7.3 includes the case of monitoring, when a unit enters and leaves an area of low signal coverage (black holes) at that time the GPS locator of the unit sends an alert signal (geo fence) warning that the unit is in an area without signal; where the satellite tracking personnel will proceed to carry out the following:

- Provide dedicated follow-up to the unit or units that have entered the area.
- Call the operator to confirm that you are doing well on your route.
- A tolerance of 15 to 30 minutes will be given after the estimated time (since it is the programmed time of the satellite tracking to give positioning of the units) to determine if the emergency protocol will be activated in case of theft of the unit.
- If the Security Manager together with the Monitoring Coordinator determine that the emergency protocol is activated in case of theft of the unit, it will be carried out and the event will be recorded in accordance with it.
- In the event that there is no anomaly in its route and the unit leaves the black hole, it will be confirmed by telephone with the operator that everything is in order and active monitoring will be given to it on its way

Segutal regularly tests communication equipment. Procedure PO-05 Unit Tracking includes forms for weekly checks of cell phones, GPS, and radios (exhibits 3, 4, and 5). The panic and support buttons are checked with the GPS. The auditor reviewed these forms throughout the recertification period to ensure compliance.

The rail carriers' adherence to this Standard of Practice was thoroughly assessed during their due diligence procedures, as outlined in exhibits A and B.

Draslovka has implemented measures to manage its transporters in relation to communication blackout areas through due diligence reviews, internal audits, and training programs.

GFH reported no blackout areas along their mandated route. Given the urban and semi-urban flat terrain, the auditor found it reasonable to expect good cell and satellite coverage. Although there is no cell phone signal cut on the route due to a change of country, there is a network change on the route, which is why there is a procedure for using the cell phone GFH-L-SEG-18 Communication Plan with Cell Phone en Route.

ALR identifies blackout areas during route analysis per Procedure P-714-05. These analyses specify blackout zones and transit times. GPS alerts the dispatcher when trucks enter and exit these areas. Trucks travel in pairs as convoys are prohibited.

Segutal has identified blackout areas along their routes and adopted special procedures. These are indicated by kilometers in the route analysis matrix and a color-coded map: blue (good connections), yellow (intermittent connections), and red (blackout zones). Procedure PO-04 Route Evaluation requires checking in with the terminal chief when entering and exiting blackout zones. For transits over an hour in blackout zones, strategies such as convoys or escorts may be used with input from Draslovka and the mine.

The rail carriers' compliance with this Standard of Practice was evaluated during their due diligence procedures, as described in exhibits A and B.

Draslovka, the cyanide consignor, has monitored its transporters for tracking cyanide shipments through due diligence reviews, internal audits, and training courses.

GFH monitors cyanide shipments using a GPS system that continuously tracks truck locations. Truck tracking spreadsheets confirm key points such as US Customs, the Columbia Bridge, Mexican Customs, and the ALR Yard in Nuevo Laredo throughout the recertification period. The GFH US Operations Manager stated that monitoring is comprehensive, with a mirror account in Nuevo Laredo. Trucks are monitored at 360 degrees, and any irregularities prompt immediate notification of the transfer area.

ALR has established procedures to monitor the progress of cyanide shipments. GPS continuously tracks truck locations automatically. Drivers fill out active monitoring forms and call dispatchers at specific points during the trip. ALR sends location reports to Draslovka three times daily, showing the locations of all shipments. Additionally, ALR maintains a monthly spreadsheet of cyanide deliveries. The auditor reviewed examples of these documents from the entire recertification period to ensure compliance.

Segutal tracks cyanide shipments through Procedure PO-05 Unit Tracking, requiring operators to check in at the start and end of each trip. GPS monitors truck locations continuously. Segutal submits unit reports to Draslovka three times daily. The auditor reviewed these reports to verify compliance.

The rail carriers' adherence to this Standard of Practice was assessed during their due diligence procedures, as detailed in exhibits A and B.

Draslovka has maintained stringent control over its transporters regarding inventory management through due diligence reviews, internal audits, and training programs. In certain cases, depending on the transporter, an additional seal may be affixed to the original seal applied at the production facility. On rare occasions, seals have been broken during transit to facilitate government inspections. Draslovka has provided examples of email communications from transporters documenting instances where seals were broken and/or replacement seals were applied.

GFH uses inventory controls to prevent cyanide loss during shipment. The driver’s packet

includes forms that document container count and load weight, such as border crossing forms, invoices, bills of lading, and hazardous materials manifests. Seal numbers for each trailer are recorded in the Bodega software upon entering the Laredo terminal, following procedure TER-G-REC-100 Guide for Registering Merchandise Entry at the Gate.

ALR uses inventory controls to prevent cyanide loss during shipment. Drivers carry documents recording container counts, load weight, border crossing forms, invoices, and hazardous materials manifests. Procedure P-851-14 requires clients to verify receipt with a stamped form upon truck return. ALR keeps a monthly spreadsheet of cyanide deliveries, and trailer doors have seals to prevent unauthorized entry. The auditor reviewed these documents from the recertification period for compliance.

Segutal has applied inventory controls to prevent cyanide loss during shipment. Procedure PO-06 Loading Units outlines the operator's steps to ensure seals are placed on trailer doors and isotanker domes. During transport, the operator's packet includes various forms documenting the load being delivered (such as the invoice, carrier's letter, and hazardous materials shipping form). Per PO-06, only the receiving mine can open the seals, though there are procedures if authorities need to remove the seals for inspection. The auditor reviewed examples of the operator's packets from the entire recertification period to confirm compliance.

The rail carriers' compliance with this Standard of Practice was evaluated during their due diligence procedures, as outlined in exhibits A and B.

Draslovka has managed its transporters concerning shipping records through due diligence reviews, internal audits, and training sessions.

GFH has meticulously prepared the shipping records that document the quantities of cyanide in transit. Included is the Draslovka Safety Data Sheet in Spanish, catering to the primary language of the workforce. The quantity of cyanide is indicated on several documents within the driver's packet carried in each truck, including the border crossing permit, the invoice, and the hazardous materials manifest.

ALR's shipping records document the quantity of cyanide in transit and include Safety Data Sheet information. Each truck carries documents like the border crossing permit, invoice, hazardous materials manifest, and an emergency sheet in Spanish with SDS details. The auditor reviewed these documents and interviewed a driver to verify compliance.

Segutal prepared shipping records documenting the amount of cyanide in transit, with details equivalent to the Safety Data Sheet. According to PO-03 Document Definition and Use, the operator's packet must include various documents such as the driver's license, hazardous materials permit, and invoice. The cyanide amount is shown on several forms, including the invoice, carrier's letter, and hazardous materials shipping form. The emergency sheet in Spanish contains all Safety Data Sheet information. The auditor reviewed these packets and interviewed an operator to ensure compliance.

The rail carriers' adherence to this Standard of Practice was assessed during their due

diligence procedures, as described in exhibits A and B.

Draslovka controls its transport contractors, who do not subcontract cyanide handling or transport.

Principle 2 | INTERIM STORAGE

Design, construct and operate cyanide interim storage sites to prevent releases and exposures.

Transport Practice 2.1

Store cyanide in a manner that minimizes the potential for accidental releases.

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

Draslovka oversees warning signs at interim storage areas during annual reviews, audits, and training.

The GFH terminal, used for interim storage, includes a truck yard, warehouse, and offices. Cyanide containers are temporarily parked in the yard or transloaded between trailers but not stored inside the warehouse. GFH posts signs in parking areas and transloading bays to alert workers about cyanide presence and safety precautions like no smoking, open flames, eating, drinking, and required protective equipment.

The ALR Nuevo Laredo Yard serves as a location for interim storage where trailers are temporarily parked. Signs are posted in the designated parking area for cyanide trailers to inform workers about the presence of cyanide and to prohibit smoking, open flames, eating, and drinking. There are no specific personal protective equipment requirements for the yard since ALR does not open the sealed trailers; however, drivers carry personal protective equipment for spill response in their trucks.

Segutal has no trans-shipping depots or interim storage sites. Its terminals share locations with the certified Draslovka transloading facilities in San Luis Potosi and Hermosillo.

Ferromex and CPKC have not established interim storage facilities, as their trains operate continuously to the greatest extent possible.

Draslovka has controlled security measures at interim storage areas through annual reviews, audits, and training.

GFH contracts Lugo Security and Prevention Services, providing 24/7 security at the Laredo terminal. Vehicles and individuals entering the yard are registered per TER-G-REC-100. Inactive gates are locked, and the yard is fenced, walled, and well-lit. Seven cameras monitor yard activities from the office. GFH staff confirmed the terminal's certification under the Customs-Trade Partnership Against Terrorism.

Trailers are locked and sealed with a red seal from the Draslovka Memphis plant and a new

GFH green seal at departure. Only Empire trailers transloaded to ALR trailers have their original seals replaced with the GFH seal.

Grupo Cosepsi, under contract to ALR, has been providing continuous security at the Nuevo Laredo Yard. Vehicles are inspected at the gated entry, and all personnel entering the yard are registered. The yard is secured with fencing, walls, and adequate lighting. Yard activities are monitored from the main office in Monterrey through approximately 25 cameras. Guards conduct random patrols. According to ALR staff, the yard is certified under the Customs-Trade Partnership Against Terrorism. The entire area is fenced and has 24/7 surveillance and closed-circuit TV. Additionally, the area where the trailers with cyanide are parked is closed with a chain. The dry boxes are closed with security seals.

Ferromex and CPKC have not operated interim storage facilities, as the trains continue to move whenever feasible.

Draslovka has managed the separation of cyanide from incompatible materials at interim storage areas operated by its transporters through annual due diligence reviews, internal audits, and training courses.

GFH parks cyanide-loaded trailers in a designated area to prevent mixing with incompatible materials. No other trailers or items are allowed there. Transloading of Ecopacks occurs at designated warehouse bays directly between trailers without being stored in the warehouse. The operation follows a product segregation inventory plan, and yard personnel are trained in hazmat handling. The training material is reviewed every 3 years.

ALR has parked trailers containing cyanide in an area marked by yellow lines, cones, and a red plastic chain to separate these trailers from incompatible materials. ALR does not open the sealed trailers in the yard, and the likelihood of an escape is minimal. By direct observation on site, the area designated for cyanide storage is not located near stored and incompatible products. The procedure for cyanide transportation, Section 5, indicates the incompatibility table. ALR commissioned a study to assess the potential risk of incompatibility among hazardous chemical substances. The study included an analysis of the compatibility of hazardous substance storage across the entire ALR operation and provided recommendations.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Draslovka ensures cyanide is kept dry at interim storage sites by conducting annual due diligence reviews, internal audits, and training courses.

GFH has stored the cyanide in the trailers in which it arrives and has not opened the sealed trailers, except for those being transloaded. The trailers are designed for outdoor use to prevent water entry. Transloading occurs at designated warehouse bays with exterior canopies that extend over the rear end of the trailers, thereby reducing the potential for contact with water during the process.

ALR stores cyanide in sealed trailers designed to prevent water entry and does not open

them upon arrival. Dry box trailers are inspected for impermeability at ALR's yard, reviewed by GFH transporter, and further examined at the Draslovka production center prior to loading to ensure their hermetic sealing. Additionally, the ALR trailer storage yard in Nuevo Laredo is designed with a proper slope that channels any surface runoff from rainwater towards the exit of the yard warehouse. Furthermore, the height of the boxes above the trailers is 1.20 meters, which provides adequate insulation from water.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Draslovka ensures cyanide is properly ventilated during storage at transporters' interim facilities through annual reviews, audits, and training.

GFH stored the trailers outside with open air ventilation. During transloading, the warehouse's open bay doors and louvered wall grates provided adequate ventilation.

ALR has stored the trailers outdoors with open-air ventilation. It should be noted that ALR does not open the sealed trailers, and the likelihood of cyanide dust or gas generation is minimal.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Draslovka manages spill containment at transporter interim storage areas through annual reviews, internal audits, and training.

GFH parks trailers on a concrete pad in the yard to contain any cyanide spills and limit releases. An emergency response kit is staged in the Laredo terminal warehouse, and trucks are equipped with spill kits.

ALR has parked on a concrete pad to reduce the potential impact of a release. An emergency response kit has been placed at the Nuevo Laredo Yard, and trucks have been equipped with spill kits.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Principle 3 | EMERGENCY RESPONSE

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

Transport Practice 3.1

Prepare detailed emergency response plans for potential cyanide releases.

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

Draslovka's Global Response Plan for Off-site Incidents applies globally and regionally to the Mexico Supply Chain. It covers subcontractors' emergency plans, with primary response by trucking and rail companies and backup from Draslovka. Draslovka oversees transporters through annual reviews, audits, and training.

GFH has developed several emergency response plans for cyanide releases at the Laredo terminal or during transport. The Business Contingency Plan includes the emergency plan LDO-P-REC-103 Attending Emergencies, supported by specific plans: FHL-I-DIS-132 Attending Unit Theft, LDO-I-REC-201 Attending Hazardous Materials Emergencies, and TER-G-REC-108 Attending Spills of Sodium Cyanide during Transloading. GFH staff and drivers also carry emergency instruction cards. For emergencies at the Columbia Bridge over the Rio Grande River, GFH follows the Codefront Emergency Response Plan.

ALR has developed an emergency response plan, P-810-01 Transportation Emergency Response Plan, dated 2023, for emergencies during transport.

Segutal developed the PO-09 Emergency Response plan for transport emergencies.

Ferromex and CPKC have developed emergency response plans. Ferromex has subcontracted emergency response services to HESCA Environmental (HESCA), a company that specializes in railroad emergencies. CPKC has subcontracted emergency response services to two contractors, HESCA and Specialized Industrial and Railway Services (SEIF). Additionally, Ferromex and CPKC are part of the rail emergency response network Transcaer and members of ANIQ.

Draslovka has developed an emergency response plan tailored to the transportation routes and interim storage facilities managed by individual trucking and rail companies within the Mexico Supply Chain. Appendix C of the Global Response Plan for Off-site Incidents, titled Sodium Cyanide Spill Control Guidelines, outlines procedures for addressing dry or wet spills of solid cyanide. These guidelines are applicable to spill scenarios on roadsides, within trailers, or at ports and terminals. The Plan considers both the chemical and physical forms

of cyanide.

The introduction to the Global Response Plan for Off-site Incidents specifies that the plan is designed for sodium and potassium cyanide. It comprehensively addresses all methods of transport and storage facilities leading to final customer locations, including truck, rail, maritime, port, and terminal components worldwide. The Plan also considers the transport infrastructure and vehicle design, acknowledging that incidents may occur anywhere along the supply chain—from the original manufacturing facilities to the final destination.

Appendix C of the Global Response Plan provides specific steps for responding to cyanide spills across various types of transport vehicles, such as prime movers and truck trailers, rail hopper cars, rail box cars, isotankers, and intermodal containers. Additionally, Draslovka maintains oversight of its transporters through annual due diligence reviews, internal audits, and training courses.

GFH has developed comprehensive emergency response plans for their US-Mexico route and Laredo terminal. Each plan includes a detailed flow chart for emergency identification, notification, investigation, and corrective actions, applicable in both terminals and on highways. These plans consider the physical and chemical form of cyanide, which is presented as briquettes in TER-G-REC-108 Attending Spills of Sodium Cyanide during Transloading. The document also includes photos of trailers carrying Ecopacks. The plans consider the method of transport and transloading at the Laredo terminal, specifically showing photos of trailers with Ecopacks inside transport infrastructure pertinent to GFH's single government-required route, excluding railways and ports.

The emergency response cards are tailored to address transportation emergencies and incidents in installations based on the two types of infrastructure involved in GFH activities. Given that GFH transports cyanide solely along this mandated route, the plan does not need to consider other infrastructures such as railways and ports. Furthermore, the design of transport vehicles is also considered, as illustrated in the Plans.

ALR has developed an emergency response plan for routes and the Nuevo Laredo yard, focusing on truck transport emergencies on highways and at facilities. Sections 4 and 5 address hazardous materials, particularly cyanide, detailing specific response actions and considering its properties. Section 4.6 covers handling solid cyanide briquettes, transport methods, and interim storage. Section 5.2.1 deals with emergencies at ALR installations, including the Nuevo Laredo Yard, while Section 5.3 addresses transport emergencies. The plan is designed to suit trailers and intermodal containers.

The ALR Emergency Response Plan states that drivers will handle minor cyanide spills, but operators have not been confirmed to be trained. It was required to train drivers or clarify the procedure. After the audit, ALR provided training records and materials on cyanide handling and spill collection. No further information was needed to verify compliance.

Segutal' s emergency response plan (PO-09) applies to highways, gravel roads, urban areas, and remote locations. It covers collisions, rollovers, fires, spills, public emergencies, extreme weather, and theft/kidnapping. The plan addresses cyanide's physical and

chemical properties, transport methods, and infrastructure, with safety data in Appendix 4. Specific measures and equipment are provided for trailers, isotankers, and intermodal containers. Appendix 6 contains an incident report form.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Draslovka has developed an emergency response plan that outlines the anticipated emergency scenarios and corresponding response actions. The response procedures described in the Global Response Plan for Off-site Incidents are applicable to various types of emergencies, including dry, wet, or liquid spills, as well as exposures. The response actions are consistent across different scenarios: control the scene, restrict access, prevent further spread (if feasible), and contact management and national transportation hazardous materials centers such as SETIQ or Chemtrec. Draslovka maintains oversight of its transporters through annual due diligence reviews, internal audits, and training sessions.

GFH has developed detailed emergency response plans to handle various emergency situations, such as accidents, bomb threats, theft, fire, spills, and energy loss. Each plan includes a flow chart that outlines the steps from identifying and notifying about an emergency to conducting incident investigations and implementing corrective actions.

ALR's emergency response plan outlines actions for various scenarios. Section 5.1 covers alarm activation. Sections 5.5.2 to 5.5.4 detail responses for ALR installations, highways, and closures due to customs, threats, or blockades. For solid cyanide spills, Section 5.5.5 describes handling within 250 kilometers (mobilize ALR brigade from Monterrey) and beyond 250 kilometers (coordinate with Draslovka brigade). Section 5.5.7 addresses spills contaminating rivers or lakes, and Section 5.5.8 covers procedures for injured persons. The auditor required more specific actions for identified emergencies, including communication blackout zones.

Segutal has developed an emergency response plan outlining appropriate actions for various emergency scenarios. A table in PO-09 Emergency Response details the responsibilities of security staff, operators, and the consignor Draslovka. PO-09 Emergency Response specifies the action plan for notifying and mobilizing the brigade. The scenarios covered in PO-09 include collisions and rollovers, fires, spills, public contingencies and extreme weather, and theft/kidnapping. Each scenario outlines response actions primarily focused on scene control and notification of relevant entities. Only in minor emergencies, such as small spills, is the operator authorized to utilize the emergency equipment within the unit.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Draslovka has developed an emergency response plan that identifies the roles of outside responders, medical facilities, or communities in emergency response procedures. A flow chart in the Global Response Plan for Off-site Incidents shows that Chemtrec and the Draslovka Cyanide Hotline are the primary contacts. Roles of outside responders, medical

facilities, and communities would be assigned by those entities in coordination with regional or local government agencies, hospitals, and communities. Draslovka has exercised control over its transporters during annual due diligence reviews, internal audits, and training courses.

GFH has developed comprehensive emergency response plans that delineate the roles of external entities. In the United States, the designated external entities include Chemtrec and an environmental contractor (United States Environmental Services), as well as E3 Environmental for U.S. In Mexico, the external entities are HESCA external contractor, SETIQ for highway emergencies, and Codefront for emergencies at the Columbia Bridge.

Depending on the location of the incident, Chemtrec, SETIQ, or Codefront will lead the emergency response efforts and coordinate with external responders, medical facilities, and local communities. The role of the GFH environmental contractors, defined in the respective contract, is to provide clean-up support through E3 Environmental in U.S. and Hesca in Mexico, for spill recovery and decontamination services. The auditor reviewed a contract agreement dated August 2022, titled “Spill Cleaning Services as Needed”. E3 Environmental operates in the U.S. nationwide.

ALR has developed an emergency response plan, P-810-01 Transportation Emergency Response Plan, which addresses transport methods and interim storage at the Nuevo Laredo yard. Section 4.6 covers truck transport, and Section 5.2.1 includes emergencies at ALR installations like the Nuevo Laredo Yard. External responders are Draslovka and Civil Protection.

Segutal has established an emergency response plan that outlines the roles of external entities. The document PO-09 Emergency Response details the general interactions between Segutal and/or the Draslovka brigade with external organizations. Coordination with Civil Protection will be managed through notification to Mexico's hazardous chemical response agency (SETIQ) when their intervention in an emergency is deemed necessary. Additionally, the document PO-04 Route Evaluation specifies the external responders, police, hospitals, and clinics available along each route.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Transport Practice 3.2

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

The operation is	✓	in full compliance with	Transport Practice 3.2
	☐	in substantial compliance with	
	☐	not in compliance with	

1. Does the transporter provide initial and refresher emergency response training to appropriate personnel?

Draslovka has provided annual emergency response training to staff, clients, and contractors. The annual "Course for Sodium Cyanide Emergency Response" covered responses to spills and exposures. Regional transloading facilities in Hermosillo and San Luis Potosi offered additional training. Draslovka also monitors transporters through due diligence reviews, internal audits, and training courses.

GFH has provided initial training and annual refreshers to drivers and brigade members on emergency response planning. The training matrices for the recertification period indicated that the emergency plan and the cyanide code are refreshed annually. Training attendance lists confirmed that the refreshers were completed annually. Brigade members have received additional training from external providers such as Draslovka (e.g., Response to Sodium Cyanide Emergencies), ANIQ (e.g., Management and Attention to Sodium Cyanide Emergencies), and the Laredo College (e.g., Hazmat Warehouse Training). The auditor reviewed the Annual Training Program, examples of training attendance lists, examples of external training certificates and interviewed a driver to verify training and refreshers had been completed. The auditor reviewed diplomas awarded by Draslovka for the 14th course on sodium cyanide emergency response, signed by the Latin American Business Manager in September 2023 and July 2024. Additionally, DC-3 training certificates from 2024 were reviewed, demonstrating competencies in managing and responding to sodium cyanide emergencies.

ALR has provided initial training and annual refresher to drivers and brigade members on emergency response plan. The training matrix for 2024 indicates that the emergency plan is refreshed annually. Training attendance lists confirmed that the refresher was completed annually in Nuevo Laredo and Monterrey. Brigade members receive additional training from external providers. The auditor reviewed examples of training matrices, training records, and certificates from throughout the recertification period to verify compliance.

ALR provides specific training for drivers transporting cyanide. Initial training includes Hazardous Materials, emergency response plans, contamination prevention, and safety induction. After two years, drivers authorized to handle cyanide receive eight hours of

additional training on hazmat, emergency response during transport, defensive driving, and cyanide handling. Annual refresher talks are conducted, and the auditor reviews the list of authorized operators to confirm their competencies.

ALR's emergency brigades are trained by external consultants, including Civil Protection experts and Draslovka in Emergency Response to Cyanide. Some brigade members are trained firefighters. The Health and Safety Manager is a volunteer firefighter from Nuevo Leon, and the Paramedic is from Nuevo Laredo. The operation has nine brigade members in Monterrey and five in each of these locations: Nuevo Laredo, Querétaro, Guadalajara, and Ciudad de Mexico.

Segutal conducts initial and annual refresher training for operators and brigade members on the emergency response plan. The annual training matrix confirms staff are refreshed yearly. Attendance lists verify completion. Brigade members also receive training from external providers like Draslovka and ANIQ. The auditor reviewed training matrices, records, and certificates to confirm compliance during the recertification period.

Ferromex' s emergency contractor, HESCA, has a hazardous materials brigade and equipment in Hermosillo, including an emergency response truck. CPKC's contractors (HESCA and SEIF) have brigades at various points along their routes and possess two fire response trailers. Brigade members for both Ferromex and CPKC receive training from ANIQ and Transcaer, respectively. Additionally, Ferromex and CPKC meet annually with Draslovka to update procedures, equipment lists, and contact information.

Draslovka's Mining Solutions Global Response Plan for Off-site Incidents dated February 23, 2023 outlines the roles and responsibilities at the corporate level. In support of their safety and business objectives, the Mining Solutions business will provide a timely and effective emergency response to off-site incidents involving the cyanide they manufacture, use, or transport. The Mining Solutions Global Response Plan for Off-Site Incidents outlines an organizational framework and decision-making process to bring key resources and people together to provide a rapid and effective response to off-site emergencies involving sodium or potassium cyanide. The party who has physical possession of the product when the incident occurs has the basic responsibility to notify Draslovka of the incident and maintain proper contact and follow-up with the scene. Draslovka's role in a transportation or product emergency will be to provide technical advice and assistance to those in charge at the emergency scene. Depending on the circumstances involved, the response to an off-site incident will involve an entire range of responses from an informational phone call to sending representatives to the scene of the incident. The over-all objective in responding to an incident is to protect lives, property, and the environment in a prompt and efficient manner.

The transportation emergency procedures for Covoro Mining Solutions Mexicana's (Draslovka) from San Luis Potosi and Hermosillo plants describe the actions to be taken in the event of a ground transportation emergency (automobile-rail) involving sodium cyanide and potassium cyanide, in order to report and respond promptly and immediately. All brigades from the different Covoro Mining Solutions Mexicana (Draslovka) locations

participating in the response to a sodium cyanide emergency must follow the instructions described therein. Personnel responding to the emergency scene must be properly trained in the use of personal protective equipment (including Level A), as well as in the application of their corresponding functions in the incident command system and the use of the antidote kit for sodium cyanide poisoning.

The transportation emergency equipment will be brought to the accident site using a company vehicle (truck), bus, car, or plane. In the case of aircraft, it should be noted that pressurized cylinders cannot be transported. To travel to the emergency site, the transport unit available in the warehouse must be used. The brigade must operate at all times with the highest sense of responsibility for personal safety, that of their colleagues, the communities, and respect for the environment.

When the emergency is fully under control, the brigade must collect all the equipment used, conduct an inventory of it according to Annex 3, and ensure that its presence is no longer required.

Contractors in the supply chain must isolate the incident scene, ensure safety, contact local emergency personnel (police, security, fire), and call Chemtrec or the Draslovka Cyanide Hotline. The plan also details the roles of corporate staff, including the cyanide hotline operator, international emergency response leader, Memphis plant shift supervisor, Memphis plant manager, product specialist, business/regional coordinator, control room operator, business environmental health and safety coordinator, regional resource/product specialist, and emergency response team.

GFH has developed training materials outlining the emergency response duties and responsibilities. The GFH brigade consists of subgroups led by a brigade leader, including hazardous materials, communication, evacuation, first aid, and fire. The Emergency Brigades presentation details brigade members by name and role. Each emergency response plan includes action and responsibility sections. The auditor reviewed the Emergency Plan and Emergency Brigades training presentations. Specific duties are clearly outlined in the procedures for attending emergencies, unit theft, spills, hazardous materials emergencies, and sodium cyanide spills during transloading.

ALR's emergency response plan outlines specific duties and responsibilities. Sections 3.1 to 3.14 detail the roles of the general director, operator, base manager, department heads, doctor, brigade, dispatch, security guards, and safety manager. The safety manager has the primary responsibility for emergency management.

Segutal’ s emergency response plan outlines specific duties. PO-09 Emergency Response details responsibilities for security staff, operators, and consignor Draslovka. The brigade leader and members' roles are also included. Segutal has brigades in San Luis Potosi, Hermosillo, and Mexico City, each with a leader, three members, and four alternates. The brigade leader is also the terminal chief.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Draslovka has outlined its approach to emergency response and personal protective equipment in its Global Response Plan for Off-site Incidents, assigning the responsibility for developing detailed lists to its regional production facilities and transportation contractors in Mexico. Appendix C, titled Sodium Cyanide Spill Control Guidelines, within the Global Response Plan for Off-site Incidents, provides a general overview of emergency response equipment as part of the step-by-step response actions, although it does not include a specific list. Furthermore, Draslovka has addressed this matter comprehensively within the emergency response plans at the transloading facilities located in San Luis Potosi and Hermosillo. Draslovka maintains oversight of its transporters through annual due diligence reviews, internal audits, and training programs.

GFH has created lists of emergency response equipment for transport and terminal use. FHT-F-MTO-102 Daily Unit Revision details truck equipment, while GFH-F-SEG-112 Sodium Cyanide Kit Checklist covers warehouse equipment at the Laredo terminal. The listed equipment is suited for expected emergencies, such as scene control and solid cyanide spill isolation.

ALR's emergency response plan includes lists of available equipment for transport and along the route. Appendix 2 to P-810-01 is a pre-trip inspection form listing the emergency and personal protective equipment drivers carry. Appendix 3 lists emergency response and personal protective equipment in kits at Nuevo Laredo and Monterrey. The listed equipment is suitable for anticipated emergencies, such as scene control and isolation of spilled solid cyanide. Additionally, they maintain an inventory of warehouse equipment for emergency response.

Segutal' s emergency response plan includes lists of equipment available during transport and along the route. PO-09 Emergency Response details personal protective equipment for emergencies. The plan specifies response equipment in San Luis Potosi, Hermosillo, and Mexico City, as well as the equipment carried in each truck. The equipment is suited for controlling scenes and isolating spills of solid cyanide.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Draslovka's Global Response Plan for Off-site Incidents covers emergency response and personal protective equipment (PPE) in general terms, leaving their provision to regional facilities and Mexican transport contractors. Appendix C details sodium cyanide spill control and PPE as part of the response steps. Emergency response plans at San Luis Potosi and Hermosillo transloading facilities further address this. Draslovka oversees its transporters through annual reviews, audits, and training.

GFH provides emergency response and personal protective equipment during transport. The FHT-F-MTO-102 Daily Unit Revision lists truck equipment: fire extinguisher, reflectors, safety glasses, gloves, mask, boots, hard hat, and Tyvek suit. Warehouse equipment includes a first aid kit, bleach, broom, hatchet, tarp, pick, shovel, garbage bags, N95 masks, caution tape, rope, traffic cones, and silicon tubes for patching. The auditor inspected a

truck at the Laredo terminal and interviewed the driver to verify compliance.

ALR provides emergency response and personal protective equipment during transport. Pre-trip inspection forms list the equipment drivers carry, including Tyvek suits, gloves, hard hats, safety glasses, barrier tape, first aid kits, silicon tubes, brooms, dustpans, garbage bags, tarps, absorbent tubes, and reflective triangles. The auditor reviewed completed forms, inspected a truck's equipment in Nuevo Laredo Yard, and interviewed a driver to verify compliance.

Segutal supplies emergency response and personal protective equipment for transport. Monthly inspections at terminals, the main office, and trucks confirm availability. Equipment includes tarps, neoprene gloves, boots, hard hats, Tyvek suits, silicon tubes, bleach, shovels, first aid kits, and triangular warning signs. The auditor verified compliance by inspecting equipment and interviewing a driver in Hermosillo and San Luis Potosi.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Draslovka's Global Response Plan for Off-site Incidents addresses emergency response and personal protective equipment inspections in general terms, delegating actual inspections to regional facilities and contractors in Mexico. Inspection procedures have been implemented at the transloading facilities in San Luis Potosi and Hermosillo. Draslovka oversees its transporters through annual reviews, internal audits, and training.

GFH has established inspections for emergency response equipment to ensure its availability when needed. For the cyanide spill kit in the warehouse at the Laredo terminal, the inspection form GFH-F-SEG-112 Sodium Cyanide Kit Checklist is used alongside the procedure GFH-G-SEG-104 Guide for Review of the Cyanide Kit. Warehouse staff perform daily checks to confirm that the kit is present and not obstructed by other materials or equipment. The seal on the kit is inspected monthly, and the contents are checked every six months with a new seal placed each time. Drivers check the equipment in the truck daily. The auditor observed the sealed kit in the warehouse and reviewed pictures of its contents. Additionally, the auditor inspected the equipment in a truck at the Laredo terminal and interviewed the driver to verify compliance.

ALR conducts monthly inspections of emergency response equipment using the checklist in Appendix 3 of P-810-01. The auditor reviewed completed inspection forms for spill kits in Nuevo Laredo and Monterrey and inspected the equipment in a truck at the Nuevo Laredo Yard and the kit in Monterrey to ensure compliance.

Segutal has established inspections for emergency response and personal protective equipment to ensure availability when necessary. The monthly inspections utilize the lists in exhibits 3A (trucks) and 3B (terminals and main office) of PO-09 Emergency Response. The auditor reviewed completed inspection forms for the terminals, main office, and trucks to verify compliance.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See

exhibits A and B.

Draslovka controls its transport contractors, who do not subcontract cyanide handling or transport.

Transport Practice 3.3

Develop procedures for internal and external emergency notification and reporting.

The operation is	✓	in full compliance with	Transport Practice 3.3
	☐	in substantial compliance with	
	☐	not in compliance with	

Draslovka has an emergency response plan with contact information detailed in Appendix B of the Global Response Plan for Off-site Incidents. This includes corporate and regional contacts, the Draslovka Cyanide Hotline, and Chemtrec. The Crisis Management Manual Latin America provides additional guidance for external interactions. The emergency response plans for San Luis Potosi and Hermosillo transloading facilities also cover this issue. Draslovka controls its transporters through annual reviews, internal audits, and training courses.

GFH has established notification procedures and maintains updated contact information. Emergency response plans include flow charts for notification processes. Terminal staff and drivers carry cards with contact details for GFH, Draslovka, Chemtrec, United States Environmental Services (in the US), SETIQ, Civil Protection, and Codefront (in Mexico). Communication with medical facilities and communities will be through Chemtrec, E3 Environmental, Hesca, SETIQ, or Codefront, based on incident location. Shipping manifests and trailer stickers also provide SETIQ contact information for hazardous materials incidents during transportation.

ALR has established procedures that include notification processes and current contact information. Section 5.5.3 of P-810-01 provides a flow diagram for notifications. Appendix 1 of P-714-03 includes an accident reporting form with all necessary details for a notification. The transportation emergency response plan contains contact information for ALR, Draslovka management, and various emergency response entities in the states and cities along ALR's routes, such as Civil Protection, hospitals, fire departments, Red Cross, police, and highway departments, as well as a call-out list for the ALR brigade. Contact numbers for SETIQ, Draslovka, and ALR management are also included on the Emergency Sheet in the driver's packet and on a sticker placed on trucks and trailers.

Segutal has established notification procedures and maintains current contact information. Section 3 of PO-09 Emergency Response outlines the plan to notify shippers, receivers, regulatory bodies, response providers, and medical facilities as needed. Communities may

be notified via SETIQ if required. Appendix 2 of PO-09 lists contacts for Segutal and Draslovka facilities, including managers and brigades, as well as SETIQ details. Additionally, laminated cards with contact numbers for Draslovka and Segutal facilities in Mexico are carried by operators. Segutal trailers and isotankers have stickers with SETIQ contact information.

In an emergency, Ferromex train crews notify the Operations and Safety Control Centers via radio. CPKC crews alert their Command Center. These centers then mobilize response contractors and may contact SETIQ for external coordination.

Draslovka has implemented a system to maintain up-to-date internal and external emergency notification and reporting procedures. The Global Response Plan for Off-site Incidents mandates an annual review of the plan to ensure accuracy and verify that contact information is current, as part of the required drill to test the plan's effectiveness. Draslovka consistently maintains its emergency notification and reporting procedures. Additionally, Draslovka exercises oversight of its transporters through annual due diligence reviews, internal audits, and training programs.

GFH ensures that notification and reporting procedures are current. The procedure GFH-P-CAL-101 Document Control mandates updating documents every two years or upon changes. Recently, LDO-P-SEG-410 Transportation Emergency Response Contact Update Protocol was implemented, requiring area leaders to review emergency contact lists quarterly.

ALR has developed an emergency response plan that mandates annual updates to emergency contact information. Sections 5.12 to 5.14 specify that contact information for the brigade, other ALR staff, SETIQ, and the client must be updated annually. The annual request to SETIQ for updates includes regulatory agencies, outside responders, medical facilities, and other relevant contacts.

During the quarterly meetings with ANIQ and SETIQ, and as needed, the telephone directory of the emergency departments is revised to reflect any changes. This directory includes updated numbers for Draslovka's emergency information, ensuring that key telephone numbers are accurate. The revision registers on the first page of the emergency response plan confirm that these annual updates have occurred throughout the recertification period.

Segutal' s Section 1 of PA-00 mandates reviewing and updating all procedures every two years or as needed. The revision history at the end of each document tracks changes. PO-09 Emergency Response is updated more frequently, often to update contact details.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Draslovka Global Response Plan for Off-site Incidents requires any significant cyanide incidents reported in the supply chain and contractors, as defined in ICMI's Definitions and Acronyms document, Draslovka will notify the ICMI.

According to the GFH, ALR and Segutal emergency communications protocols, the carriers will notify Draslovka of any cyanide incident, who will then inform the Cyanide Institute. The emergency response plans require Draslovka to be informed of any cyanide incident.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Transport Practice 3.4

Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

The operation is	✓	in full compliance with	Transport Practice 3.4
	☐	in substantial compliance with	
	☐	not in compliance with	

Draslovka has procedures for remediation, including recovery, neutralization, decontamination, and residue management. The Global Response Plan's Appendix C outlines controls for sodium cyanide spills, such as recovery of solid cyanide and impacted soils, followed by area decontamination using sodium hypochlorite or hydrogen peroxide. Large-scale remediation is handled by insurers or government agencies. Draslovka oversees its transporters through annual due diligence reviews, audits, and training.

GFH has developed two emergency response plans that describe remediation measures: LDO-I-REC-201 Attending Hazardous Materials Emergencies and TER-G-REC-108 Attending Spills of Sodium Cyanide during Transloading. GFH's responsibilities include controlling the scene and notifying management, client, Chemtrec, E3 Environmental, Hesca, Codefront, or SETIQ for incidents in the US, the Columbia Bridge, or Mexico, respectively. GFH's specialty contractor, United States Environmental Services, would assist with neutralization, recovery, decontamination, and disposal in the US. In Mexico, Codefront (state Mexican external responder of the State of Nuevo León) or SETIQ would oversee remediation. In the case of small spills of briquettes, GFH may perform the clean-up. In the event of an accident in the state of Tamaulipas, Civil Protection and the Nuevo Laredo fire department would respond. Chemtrec is an international emergency response organization contracted by Draslovka.

ALR has developed an emergency response plan that describes remediation measures. Section 5.7 of P-810-01 describes remediation measures, indicating that ALR's role is to control the scene and notify management, client, and SETIQ. In the case of spills, ALR's insurance company will arrange for specialized companies to conduct the remediation or ALR may perform the clean-up of small spills of briquettes. In the case of large spills, Civil Protection via SETIQ would oversee remediation. For cases of spills and cleaning, ALR will follow the procedures and instructions of Draslovka. ALR has an insurance policy issued by

SURA insurance company that covers spills incidents, among others.

Segutal' s emergency response plan outlines remediation measures in Section 7 of PO-09. Segal's responsibilities include controlling the scene and notifying management, the client, and SETIQ. For small briquette spills, Segutal staff can clean up using emergency equipment from the truck or brigade kit. For larger spills, Civil Protection via SETIQ will manage remediation.

HESCA has created a procedure for remediating soil contaminated by sodium cyanide, on behalf of Ferromex and CPKC.

Draslovka has banned the use of chemicals harmful to aquatic life for treating cyanide in surface water. According to the Global Response Plan for Off-site Incidents, sodium hypochlorite, ferrous sulfate, and hydrogen peroxide are prohibited. Draslovka ensures compliance through annual due diligence reviews, audits, and training.

GFH has established emergency response plans that restrict the use of specific chemicals for treating cyanide releases to surface water. According to Item 6 in LDO-I-REC-101 Attending Spills and procedure LDO-I-REC-201, the use of sodium hypochlorite, ferrous sulfate, and hydrogen peroxide is prohibited in the event of cyanide being released to surface water.

ALR's emergency response plan forbids using sodium hypochlorite, ferrous sulphate, and hydrogen peroxide for treating cyanide releases to surface water, as stated in Section 5.5.7 of P-810-01.

Segutal' s emergency response plan bans using sodium hypochlorite, ferrous sulfate, and hydrogen peroxide to treat cyanide releases in surface water, as stated in Section 7 of PO-09 Emergency Response.

HESCA has created a specific soil remediation procedure for sodium cyanide contamination for both Ferromex and CPKC. This procedure bans sodium hypochlorite, ferrous sulfate, and hydrogen peroxide to treat cyanide in surface water.

Transport Practice 3.5

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

The operation is	✓	in full compliance with	Transport Practice 3.5
	☐	in substantial compliance with	
	☐	not in compliance with	

Draslovka periodically reviews its emergency response plan. The Global Response Plan for Off-site Incidents mandates an annual review to ensure accuracy and current contacts. Draslovka also controls its transporters through annual due diligence, internal audits, and

training courses.

GFH periodically reviews and evaluates their emergency response plans. The GFH Quality Coordinator stated that their ISO 9001-certified Quality Management System requires procedures to be reviewed and updated every two years. Document control software sends automated messages to trigger these updates. The auditor verified compliance by reviewing screenshots of the revision histories for the GFH emergency response plans.

ALR's emergency response plan requires periodic reviews. Per Section 5.11.1 of P-810-01, the plan must be reviewed and updated annually, after audits, drills, or incidents. The revision register shows annual updates during the recertification period.

Segutal has established an administrative procedure to ensure all operational procedures are kept up to date. According to Section 1 of PA-00 Elaboration of Procedures, all procedures must be reviewed and updated at least biennially, or as necessary. The revision history is documented on the final pages of each procedure. Notably, Segutal has maintained the ERP with updates more frequently than every two years, as evidenced by its revision history. Additionally, procedure PO-10 Drills includes a specific objective to review the ERP following each drill. Procedure PO-11 Incident Investigation is identified as one of the tools used to evaluate the results of drills and the emergency response plan. They keep the emergency contact list updated continuously through their Skypeword monitoring center.

Ferromex and CPKC review their emergency response plans and conduct mock drills. Ferromex holds annual chemical emergency drills with Civil Protection, including recent scenarios like train collisions with LPG trucks and buses. CPKC performs drills three times a year with ANIQ, focusing on chlorine and flammable materials emergencies.

Draslovka's Global Response Plan for Off-site Incidents mandates annual mock drills to practice skills and review the plan's accuracy and contacts. Draslovka fulfills this through participation in drills and an annual training course for staff, clients, and contractors. The auditor reviewed critiques from joint drills with Segutal, evaluating both Draslovka and the transporter roles, assigning corrective actions with deadlines. Annually, Draslovka conducts spill and exposure drills at its San Luis Potosi and Hermosillo transloading facilities, including reports and corrective actions. Draslovka also controls its transporters through annual due diligence reviews, internal audits, and training courses.

GFH has developed two procedures for planning and evaluating mock drills. Procedure GFH-G-SEG-169 Drill Planning states that mock drills are to be held annually. Procedure GFH-G-SEG-100 Drill Evaluation requires to evaluate the drills to improve the emergency response. Reports from 2024 and 2022 indicated these drills were held except for 2023. The drills were conducted in both the US and Mexico, on the road and at the Laredo terminal, and covered spills. In November 11, 2024, after the audit GFH performed an emergency mock drill simulating a spill with cyanide exposition. They included the drill report, which details the improvements observed during the exercise. Additionally, they prepared the simulation schedule for the 2025 period, specifically including the scenario of spill and exposure to

cyanide.

ALR has established an emergency response plan that includes conducting mock drills periodically. Section 5.8 of P-810-01 mandates the annual development of a drill program to schedule tabletop or field drills. During the recertification period, field drills were conducted covering scenarios such as cyanide releases (small spills of solid cyanide) and exposures (person-down), as well as non-cyanide related incidents.

The auditor reviewed the 2024 annual drill program. In August 2022 in Nuevo Laredo, a cyanide spill drill with 11 participants, including operators and coordinators, showed no improvement opportunities. Another emergency drill in October 2023 simulated a spill with poisoning involving 13 participants. The report identified several improvements which were addressed. A June 2024 drill in Monterrey involved a spill with poisoning; first aid with oxygen was applied by 10 participants using autonomous breathing equipment.

On October 18, 2024, at its Monterrey base, ALR organized comprehensive training for operational personnel (operators) and internal brigades. The training included a theoretical presentation on emergency management and risks related to cyanide, along with a practical session on responding to and containing cyanide spills. During the theoretical session, safety protocols, the required personal protective equipment, and procedures for an effective response were reviewed. In the practical portion, participants engaged in simulations to apply the acquired knowledge. Nine individuals participated, including the commander, the coordinator, a paramedic, operators, and four brigade members.

Segutal has developed and implemented a procedure for conducting mock drills. Appendix 5 of PO-10 includes a drill schedule with one desktop and one field drill annually. The drill scenarios in the schedule specify both cyanide spills and exposures. This procedure specifically states the objectives are to evaluate drills with respect to training, equipment/materials, and procedures, and is accompanied by a template for a corrective action plan with evidence of completion of post-drill actions.

Segutal has conducted drills throughout the recertification period at their facilities in San Luis Potosi, Hermosillo, and Mexico City, as evidenced by drill reports. In November 2022, they conducted a desktop drill for a rollover spill and reported findings and corrective actions. In December 2023, another drill addressed a cyanide spill caused by a third-party truck collision. The author reviewed the drill report in Annex 2, which includes testimonies, and created a compliance guide as per findings in Annex 4.

On December 30, 2024, Segutal conducted a new drill addressing cyanide theft, which involved a simulated spill and exposure scenario. This pre-announced field drill took place at the San Luis Potosí workshop and depicted an incident wherein a truck transporting 15 tons of cyanide was robbed by two armed individuals. The driver activated the panic button but was compelled to open a crate of cyanide, resulting in a spill that exposed one assailant to the substance while the other fled.

Following the departure of the armed assailant, the operator adhered to the emergency response protocol by removing the affected individual from the material, notifying the base

commander and security about the spill, cordoning off the area with precautionary tape, and covering the spilled material with flags and a tarp. The collection process then commenced with the removal of collection bags. Upon receiving the operator's report, Segutal personnel informed the relevant authorities.

The base commander, coordinating with the security chief, dispatched the brigade to the scene to assist with collection efforts and administer first aid to the exposed individual. The affected person was subsequently handed over to medical services, who were notified of the nature of the poisoning agent. Upon the authorities' arrival, the incident was formally reported, and the dispatcher in charge provided instructions regarding the disposition of the collected material and equipment used.

The drill concluded with eleven participants involved, followed by a thorough analysis to identify opportunities for improvement.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

Draslovka has implemented a procedure to assess its emergency response plan following its activation in an incident. The Global Response Plan for Off-site Incidents mandates that at least one drill or actual incident evaluation be conducted annually to test the plan at the corporate level, ensuring the accuracy of the procedure and that contact information is current. During this recertification period, Draslovka Mexico Supply Chain has not encountered any cyanide incidents necessitating a review and revision of the plan. Draslovka has maintained oversight of its transporters through annual due diligence reviews, internal audits, and training sessions.

GFH has established a procedure, GFH-G-SEG-100 Drill Evaluation, which mandates the assessment of their emergency response plans following actual incidents. This procedure outlines the need to evaluate the outcomes of events, whether drills or real incidents, and determine if updates to the instruction are necessary. During an interview, GFH staff indicated that this requirement extends to other emergency response plans as well. They also reported that there have been no cyanide incidents during the recertification period that would activate this provision.

ALR has developed and implemented an emergency response plan that includes evaluating the plan’s performance after its implementation. Section 5.11.1 of P-810-01 specifies that the plan should be reviewed and updated under four conditions, one of which is after an accident or incident. ALR reported that there have been no cyanide incidents during the recertification period that would necessitate this provision.

Segutal has created and executed an emergency response plan that calls for an evaluation of its performance post-implementation. Section 3 specifies that the plan should be assessed following incidents and/or drills. Segutal reported that there have been no cyanide incidents during the recertification period that would activate this provision.

Due diligence for both rail carriers was assessed at the Standard of Practice level. See exhibits A and B.

EXHIBIT A

Auditor Review

DUE DILIGENCE EVALUATION

FOR RAIL TRANSPORTER

FERROCARRIL MEXICANO (FERROMEX)

Ferrocarril Mexicano Railroad Due Diligence Evaluation

This is a review of the due diligence evaluation performed on August 2024 by Draslovka to rail transporter Ferrocarril Mexicano (Ferromex), as required by the ICMI and the presentation by Ferromex staff to the auditor on October 16, 2024, in Mexico City. Ferromex is one of the rail carriers participating in the Draslovka Mexican Supply Chain.

Bruno Pizzorni, a Cyanide Code registered lead auditor and transportation technical specialist, reviewed the due diligence report prepared by Draslovka in August 2024.

This review was performed in accordance with ICMI Auditor Guidance for the Use of Cyanide Transportation Protocol from June 2021. The following items were addressed by the due diligence review: Transport Practices 1.1 to 1.6, excluding 1.5 and Transport Practice 3.1 to 3.5. Ferromex has not experienced any compliance issues during the previous audit cycle.

Ferromex

Ferromex operates Mexico's largest railway network, with 10,000 km of track covering the country's main industrial and consumption areas, connecting with the rest of the world through 8 ports and 6 border crossings. More than 800 locomotives and 28,000 railcars to transport the cargo to its destination. Ferromex transports, among others, inorganic chemicals, synthetic resins, fertilizers, petrochemicals, and other hazardous materials. They have permits from SICT (Secretariat of Infrastructure, Communications and Transport) and CRE (Energy Regulatory Commission) for the transport of hazardous materials, as well as from Semarnat (Ministry of Environment and Natural Resources) and Sedena (Secretariat of national Defense). They also coordinate with CENAPRE (National Center for Disaster Prevention), PROFEPA (Federal Attorney for Environmental Protection), and SETIQ (Emergency Transportation System for the Chemical Industry) in case of emergencies. Ferromex has its own plan for Chemical Emergency Response and Remediation.

Ferromex transports solid sodium cyanide in Ecopaks and flobins via boxcars from Nogales to Hermosillo, Sonora. The route spans 270 km in Northwestern Mexico with an 8-hour transit time. The product crosses the U.S. border at Nogales and is transported by Union Pacific (U.S.) and Ferromex (Mexico) railroads.

Conclusion

Based on the evidence provided by Draslovka, this due diligence review did not find significant issues of concern regarding rail transporter Ferromex handling of sodium cyanide product. The review was based on information provided by Draslovka from their evaluation to the rail carrier, the auditor interview with Ferromex employees in Ciudad de México, as well as publicly available information.

Transport Verification Protocol Assessment

Principle 1 | TRANSPORT

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

Transport Practice 1.1

Select Cyanide Transport Routes to Minimize the Potential for Accidents and Releases

At Ferromex, maintenance of the chemical train is provided in accordance with legal requirements. The train travels through various types of topography, and inspections of the cars are conducted frequently in each section. Each district has detectors for dragged objects and other technological measures. The inspector surveys new developments on the route and reports based on them during the journey. Work is performed when the train passes through a reader and an alarm is activated. The driver stops the train under specific conditions such as weather conditions. Track conditions are checked with track explorers or high rail vehicles.

The chosen route, which is 270 kilometers (km) long, runs directly south from Nogales to Hermosillo with a transit time of 8 hours. An alternative route runs from Ciudad Juarez to the city of Chihuahua, across the Sierra Madre mountains to Topolobampo and then north to Hermosillo. This alternative route is 1,440 km long with a transit time of 72 hours that goes down to the west coast city of Topolobampo to end up to the north up to Hermosillo. So, the alternate lane is not only longer in distance and time but has more risk, because of the orography and thus was eliminated. The selected route from Nogales to Hermosillo passes by several small towns and villages, with the only cities of significant size at the starting and ending points. Safety measures include designating trains carrying cyanide and other hazardous materials as "chemical" trains that travel at reduced speeds compared to "non-chemical" trains and are preceded by a scout train to identify potential hazards.

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.

Ferromex receives sealed loads, checks their integrity, and inspects wagon conditions and operational components, especially bearings. They follow internal regulations for transporting hazardous materials and act as first responders. They train Civil Protection and clients like Transcaer using a school tank car with various chemicals, focusing on First Responders.

Mexican law requires train crews to hold a federal license. Crews receive hands-on hazardous materials (hazmat) training from Transcaer and online training via webinars. The railroad company provides training on hazmat to the people involved in transportation. Records were available upon request.

Transport Practice 1.3

Ensure that transport equipment is suitable for the cyanide shipment.

Rail cars comply with US and Mexican regulations. The Draslovka Plant in Memphis, a Code-certified facility, is responsible for loading the boxcars. Ferromex does not open the sealed boxcars but monitors them physically and remotely for anomalies such as rail defects and unbalanced loads. Products labeled UN 1689 and Marine Pollutant are transported in boxcars with IBCs and Ecopaks. Boxcar walls have feelers to secure boxes and prevent movement. Containers and chassis owned by maintained by Draslovka have been maintained and audited previously in the U.S.

Transport Practice 1.4

Develop and implement a safety program for transport of cyanide

Ferromex conducts pre-trip inspections to check boxcar conditions, including placards and original seals from the Draslovka Plant in Memphis. They add an interchange seal and require medical and drug tests for crews. Ferromex has a general safety program, they will share the info as per the client requirement. Draslovka owns and maintains the boxcars.

Their health and safety program includes inspections, monitoring, and training. The 24/7 monitoring team in Guadalajara tracks trains using the satellite tracking system. Ferromex will notify Draslovka about safety incidents through the customer service Ferromex team. The auditor reviewed reports, location diaries, and train statutes.

Transport Practice 1.6

Track cyanide shipments to prevent losses during transport.

Cyanide shipments are tracked continuously by Ferromex via GPS, video surveillance, and crew radio check-ins, with no blackout zones. Inventory is managed using SAP software. Security guards are placed on each train by a contracted firm, and Ferromex has been Customs and Trade Partnership Against Terrorism certified since 2019.

When setting up stock in the SAP system, the total quantity received is compared with the original purchase order. During product receipt, seal numbers are verified against the shipper's packing list. Quality inspection is performed, and any deviations are reported.

Draslovka monitors shipments according to the corporate procedure Tracking Railroad and Trailer Units with Sodium Cyanide. Units are tracked using an internal file and a report provided by Ferromex.

Principle 3 | EMERGENCY RESPONSE

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

Transport Practice 3.1

Prepare detailed emergency response plans for potential cyanide releases.

Ferromex has established an emergency response framework known as the Emergency Plan for Prevention, Attention, and Remediation (PAREQ). The company has outsourced its emergency response operations to HESCA Environmental (HESCA), a firm that specializes in managing railroad emergencies. Additionally, Ferromex is affiliated with Transcaer, a rail emergency response network, and is a member of the National Association of the Chemical Industry (ANIQ).

Transport Practice 3.2

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

The emergency response contractor HESCA operates a hazardous materials brigade in Hermosillo, consisting of four members equipped with spill kits, fire extinguishers, self-contained breathing apparatus, and other necessary equipment. HESCA uses a dedicated emergency response truck to transport this equipment. The brigade has completed a 40-hour hazardous materials training course sponsored by ANIQ in Celaya, Mexico. Ferromex meets annually with Draslovka to review and update procedures, equipment lists, contact information, and other relevant details. Ferromex is an active corporate member of Transcaer. The emergency response plan and records of hazardous materials training can be provided to Draslovka upon request.

Transport Practice 3.3

Develop procedures for internal and external emergency notification and reporting.

In the event of an emergency, Ferromex train crews notify the Operations Control Center and the Safety Control Center via radio. These entities then mobilize HESCA, and if necessary, contact the System for Emergencies in Transport for the Chemical Industry (SETIQ) to involve Civil Protection (e.g., police, fire department, hospitals). The rail company's emergency response plan will notify Draslovka if required. Ferromex provides annual rates along with the terms and conditions of the service offered, including hazardous materials.

Transport Practice 3.4

Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

HESCA has established a procedure for remediating soils contaminated by sodium cyanide. This procedure disallows the use of sodium hypochlorite, ferrous sulfate, and hydrogen peroxide to treat cyanide in surface water. The railroad company hires HESCA for hazmat treatment. Draslovka will provide necessary guidance in case of an incident.

Transport Practice 3.5

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

Ferromex reviews its emergency response plan every 2 years and submits it to the Secretariat of Communications and Transport Infrastructure. The company conducts annual emergency response drills for chemical emergencies, although these are not necessarily specific to cyanide. Drills are coordinated with state authorities. Recent exercises have included scenarios involving train collisions with liquefied petroleum gas trucks and a bus. These drills have been conducted in conjunction with government agencies as part of the National Day for Emergency Preparedness and Response (DINAPREQ).

In September 2024, Ferromex carried out an emergency drill for a chloride spill in Coatzacoalcos. Starting next year, the drills will be held quarterly. Draslovka did not participate in the last cycle of drills but will be included in future hazmat exercises.

EXHIBIT B

Auditor Review

DUE DILIGENCE EVALUATION FOR

RAIL TRANSPORTER

CANADIAN PACIFIC KANSAS CITY (CPKC)

Canadian Pacific Kansas City (CPKC) Rail Transporter Due Diligence Evaluation

This is a review of the due diligence evaluation performed on August 2024 by Draslovka to Canadian Pacific Kansas City (CPKC) rail transporter, as required by the ICMI and the presentation by CPKC staff to the auditor on October 16, 2024, in Mexico City. CPKC is one of the rail carriers participating in the Draslovka Mexican Supply Chain.

Bruno Pizzorni, a Cyanide Code registered lead auditor and transportation technical specialist, reviewed the due diligence report prepared by Draslovka in August 2024.

This review was performed in accordance with ICMI Auditor Guidance for the Use of Cyanide Transportation Protocol from June 2021. The following items were addressed by the due diligence review: Transport Practices 1.1 to 1.6, excluding 1.5 and Transport Practice 3.1 to 3.5. CPKC has not experienced any compliance issues during the previous audit cycle.

Canadian Pacific Kansas City (CPKC)

CPKC is the combination of two historic railways – Canadian Pacific (CP) and Kansas City Southern (KCS). In 2023 CPKC created the first and only transnational rail network in North America that moves essential goods across their 20,000-mile network throughout Canada, the U.S. and Mexico.

Rail transportation is considered the safest way to transport hazardous materials over land. CPKC works closely with hazmat shippers, railroad supply companies and governments to develop programs and standards to protect communities and transport these essential products safely and securely. Railways, including CPKC, are legally required to transport hazardous materials as part of their common carrier obligations, on reasonable terms and conditions, and do so in accordance with all applicable laws, including safety and environmental protection regulations.

CPKC provides a wide variety of technical training and multi-agency drills specific to the rail sector to sharpen emergency response skills and improve internal and external communications practices. CPKC regularly engage their personnel, community first responders, professional organizations, communities and government agencies to promote emergency response best practices and awareness, and regularly debrief lessons learned to review and revise our emergency response practices.

CPKC developed the Community Emergency Planning Guide and Integrated Contingency Plan to prepare for and respond to incidents involving railroad property or equipment.

CPKC participates in the TRANSCAER program to assist communities in preparing for and responding to emergencies involving hazardous materials.

CPKC has assets, personnel and an emergency response contractor network to provide 24/7 response across our network, including other industry partners when required.

Responsible Care® is the chemical industry's world-class environmental, health, safety and security performance initiative. Developed as a voluntary initiative by member companies of the Chemistry Industry Association of Canada (CIAC) and the American Chemistry Council (ACC), Responsible Care partners commit to a set of guiding principles to significantly enhance employee safety, community health and environmental sustainability in the locations where we operate.

CPKC is an active transportation service provider to the North American chemical industry and has long been a partner of the Responsible Care program, formally joining in 1998. As of 2007, CPKC has also implemented the Responsible Care Management System (RCMS).

RCMS is an integrated, structured management system designed to improve company performance in the following key areas: community awareness and emergency response, security, distribution, employee health and safety, pollution prevention, and process and product safety. CPKC's RCMS system includes regular third-party verification of a member's management system and programs against the RCMS standard.

Conclusion

Based on the evidence provided by Draslovka, this due diligence review did not find significant issues of concern regarding rail transporter CPKC handling of sodium cyanide product. The review was based on information provided by Draslovka from their evaluation to the rail carrier, the auditor interview with CPKC employees in Ciudad de México, as well as publicly available information.

Transport Verification Protocol Assessment

Principle 1 | TRANSPORT

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

Transport Practice 1.1

Select Cyanide Transport Routes to Minimize the Potential for Accidents and Releases

Canadian Pacific Kansas City (CPKC) transports cyanide from Memphis to the Draslovka SLP facility via Laredo, covering approximately 794 miles. From Nuevo Laredo, shipments travel along a 768 km route to San Luis Potosi with a transit time of about 25 hours. An alternative 835 km route from Matamoros takes approximately 48 hours, and an 830 km route from Piedras Negras takes about 52 hours. However, only Nuevo Laredo and Piedras Negras are authorized for hazardous materials, with Nuevo Laredo being preferred due to fewer interchanges and lower risk. The chosen route bypasses Monterrey for non-cargo trains to enhance safety by maintaining designated speeds.

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.

CPKC offers comprehensive hazmat training programs for its employees, as required by regulations governing train crews and external emergency responders. These programs include drills in train handling and work procedures. CPKC operates training centers located in San Luis de Potosí and Monterrey, where employees are instructed on safe operations, such as brake handling.

In compliance with Mexican law, train crews must possess a federal license. Additionally, these crews have received practical hazardous materials training from the Center for Transportation Community Awareness and Emergency Response (Transcaer).

Transport Practice 1.3

Ensure that transport equipment is suitable for the cyanide shipment.

Draslovka operates a dedicated fleet of rail cars based in Memphis, which undergoes routine mechanical inspections prior to departure. The fleet includes hopper cars with load capacities ranging from 75 to 89 tons and box cars with a capacity of 64 tons.

The rail cars are designed and maintained in compliance with both US and Mexican regulations. The loading of the hoppers and boxcars is managed by the Draslovka Plant in Memphis, Tennessee, a Code-certified production facility. CPKC does not open the sealed boxcars. Additionally, CPKC conducts both physical and remote monitoring of the rails and railcars to detect anomalies using instruments along the tracks. These instruments identify issues such as unbalanced loads, overheated trunnions, ejected objects, and excessive noise, among other potential problems.

Transport Practice 1.4

Develop and implement a safety program for transport of cyanide.

CPKC performs pre-trip inspections to check the condition of the hoppers and boxcars, ensuring the presence of the correct placards and an intact original seal from the Draslovka Plant in Memphis. CPKC adds a "Red Flag" seal that can be scanned and reported via an iPhone application. CPKC also conducts medical and drug and alcohol testing for the crews. The boxcars and hoppers are owned and maintained by Draslovka.

Transport Practice 1.6

Track cyanide shipments to prevent losses during transport.

Cyanide shipments at CPKC are continuously tracked via GPS, video, and drone surveillance. During the auditor meeting, CPKC showcased real-time GPS and database queries by trip plan, location, and shipment. The route has no blackout zones and includes seven inspection points where seals and railcar conditions are checked. Inventory is managed with

MyKCS software. CPKC contracts four security firms, and the Mexican army provides additional security on some stretches. CPKC is certified by the Customs and Trade Partnership Against Terrorism.

Principle 3 | EMERGENCY RESPONSE

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

Transport Practice 3.1

Prepare detailed emergency response plans for potential cyanide releases.

CPKC has established an emergency response plan titled Emergency Plan for Accidents in the Rail Transport of Hazardous Materials and Wastes. CPKC has subcontracted emergency response services to HESCA Environmental and Specialized Industrial and Railway Services (SEIF), both of which are companies with expertise in railroad emergencies. Additionally, CPKC is a participant in the rail emergency response network Transcaer and a member of the National Association of the Chemical Industry (ANIQ).

Transport Practice 3.2

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

Emergency response contractors HESCA and SEIF maintain hazardous materials brigades and equipment, including breathing apparatus, along the routes. Response time ranges from 20 to 120 minutes. CPKC has acquired two fire response trailers for foam and water. Brigade members trained by Transcaer in San Luis Potosi. CPKC and Draslovka meet annually to update procedures and contact information. Emergency response plans, including communication with Draslovka, and hazmat training evidence are available upon request.

Transport Practice 3.3

Develop procedures for internal and external emergency notification and reporting.

In an emergency, CPKC train crews notify the Command Center via radio, which then mobilizes HESCA or SEIF and contacts SETIQ if needed to involve Civil Protection (e.g., police, fire department, hospitals).

All employees must report service interruptions to the emergency brigade until the line is safe. The brigade communicates with external responders, Civil Protection, and local firefighters. Chlorine emergency drills are conducted in Coatzacoalcos with authorities and locals, evaluated for improvements.

Transport Practice 3.4

Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.

HESCA has established a procedure for the remediation of soils contaminated with sodium cyanide. This procedure prohibits the use of sodium hypochlorite, ferrous sulfate, and hydrogen peroxide for treating cyanide that has been released into surface water.

Transport Practice 3.5

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

CPKC periodically reviews its plan according to its program. CPKC conducts three emergency response drills annually, with scenarios not limited to cyanide. Drills are coordinated with ANIQ. Recent drills have included emergencies involving chlorine and flammable materials. Draslovka has participated in some drills, though none were specific to cyanide. Chlorine emergency drills are conducted in Coatzacoalcos with authorities and locals, and they are evaluated for improvements.