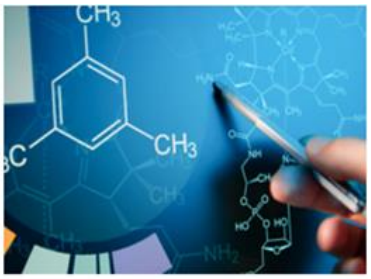
ICMI Transportation Verification Protocol (Revision June 2021)

Summary Audit Report

Draslovka a.s. – US and Canada Rail and Barge Supply Chain

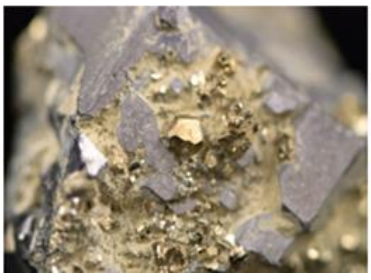
2021 Re-Certification Audit

Draslovka





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Code Certification Service

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Operation General Information

Name and location of Operation:	Draslovka – US and Canada Rail and Barge Supply Chain Wilmington, Delaware USA
Names and contact information for this Supply Chain:	Joaquín Corres Barragán Customer Facing Technologies Manager Draslovka Mining Solutions Email: Joaquin.Corres@draslovka.com

Supply Chain Description

The Draslovka a.s. ("Draslovka") Mining Solutions U.S./Canada Rail and Barge Supply Chain was assessed during this audit. As of December 1, 2021, Draslovka completed the acquisition of the Mining Solutions business from The Chemours Company ("Chemours"). Draslovka is a CN-based specialty chemicals company producing many products in addition to sodium cyanide, including next generation fumigants and biocides.

While this audit of the U.S./Canada Rail & Barge Supply Chain was performed when the Mining Solutions business was still owned by Chemours, the Cyanide Code audit reports and re-certification process will not be finalized until early 2022, after the sale of the operation to Draslovka. The Draslovka company name has therefore been used throughout this audit report. Draslovka has been a Cyanide Code Signatory since March 2011 and Chemours was a signatory starting in November 2005. The operation under its new ownership continues to be committed to maintaining Cyanide Code compliance and fulfilling ICMI certification requirements and obligations under the Cyanide Code. According to Draslovka personnel, all systems evaluated during this audit remain unchanged. Only the ownership of the organization has changed.

Solid sodium cyanide for use in the gold mining sector is manufactured at the Draslovka Memphis, Tennessee plant, which is located just outside of Memphis in Woodstock, Tennessee. This U.S./Canada rail and barge supply chain was originally certified to the ICMI Cyanide Code in 2010. This report includes the results from the three-year re-certification audit and Due Diligence evaluations.

Draslovka contracts with rail and barge carriers directly to transport their products between cyanide production locations in the United States and warehouses, production facilities, and customers in the United States, Mexico, and Canada. Draslovka also contracts with ocean carriers to transport the product using intermodal services, namely rail transportation from rail heads near the Draslovka production facilities to U.S. ports. The rail movements controlled by the ocean carriers are addressed in the Draslovka Global Ocean Supply Chain Re-Certification Audit Report. The Alaska-bound interim storage and barge shipments using Sea-Pac Transportation Services and Alaska Marine Lines are contracted indirectly through the Alaska Railroad.

Road transportation between the Seattle rail head to the Sea-Pac interim storage location is achieved using an ICMI-certified Signatory trucking company, Alaska West Express.

Rail movements after crossing the U.S./Mexico border are addressed in the Chemours (now Draslovka) Mexico Supply Chain Re-Certification Audit Report.

The rail and barge carriers manage and control all aspects of the rail and barge movements. Pursuant to their agreements with Draslovka, the carriers identified in this report operate in a manner that complies with applicable environmental, health, safety, and security regulations. These operations were determined, through Due Diligence evaluations, to be aligned with ICMI Cyanide Code requirements.

U.S. / Canada Rail and Barge Supply Chain – The Mining Solutions business of Draslovka has been producing and shipping sodium cyanide since 1953. In the United States, the solid sodium cyanide briquettes are packaged at the Memphis Plant in Tennessee, at the LSI Terminal directly adjacent to the plant, and at the packaging terminal in Carlin, Nevada, USA. The Memphis Plant ships sodium cyanide in railroad hopper cars, bulk and semi-bulk packages. The bulk and semi-bulk packages are shipped from Memphis and its packaging terminals via rail and truck. Domestic shipments go coast to coast. International shipments go by rail to U.S. ports and to the U.S./Canadian and U.S./Mexican borders.

This evaluation included all rail and barge movements of sodium cyanide in the United States and Canada. The nine transportation partners and two ports included in this Draslovka re-certification audit and due diligence investigation are listed below.

1) Union Pacific Railroad (UP) – contracted by Draslovka
2) Canadian National Railway (CN) – contracted by Draslovka
3) Alaska Railroad Company (ARRC) – contracted by Draslovka
4) Alaska Marine Lines (AML) - contracted by ARRC for barge movements
5) BNSF Railway (BNSF) – contracted by ocean carriers for international shipments and ARRC for barge movements
6) CSX Corporation– contracted by ocean carriers for international shipments
7) Kansas City Southern – contracted by ocean carriers for international shipments
8) Sea-Pac Transportation Services, LLC – Interim Storage – Change in Mode
9) Alaska West Express – ICMI Certified Signatory Trucking operation Seattle rail head to Seattle Port (certified January 9, 2020)
10) Harbor Island (Seattle) Port, Washington - USA
11) Port of Whittier, Alaska - USA

All transportation in the United States and to Canada using the transportation partners noted above is within scope of this review. The sampling of specific information and records was done using the primary routes being used at the time of the audit. These were the routes from the Memphis Production Plant to the Carlin packaging facility in Nevada, the Fairbanks rail yard in Alaska (via the Seattle Port, the Port of Whittier, and the Alaska Marine Lines (AML) barge movement), the Laredo rail yard at the Texas/Mexican border, the Nogales rail yard at the Arizona/Mexican Border, and the Octium Malartic Bulk Transloading Facility in Malartic, Quebec, Canada.

Several other routes were also in use, but no additional rail/barge transportation companies other than the ones mentioned here were in use for sodium cyanide shipments. Rail transportation to U.S. Ports for international ocean carrier shipments is controlled and managed by the Draslovka ocean carrier partners. Rail transport of the cyanide starting at the U.S./Mexican border crossings and within Mexico is addressed in separate Chemours (now Draslovka) Mexico due diligence and re-certification audit reports. The due diligence review of the ocean ports used by Draslovka is addressed in the Draslovka Global Ocean Supply Chain re-certification audit report.

At the time of the 2021 Draslovka Re-Certification Audit / Due Diligence Investigations, the following rail yards (start and end locations) and ports were being used by Draslovka in the United States and Canada:

Rail Terminals – Origin Loading Location	Destination / Interim Storage / Unloading Locations
• Marion, AR • Memphis, TN • Woodstock, TN (rail sidings within Draslovka and LSI facilities)	• Fairbanks, Alaska - USA • Laredo, Texas - USA • Nogales, Arizona - USA • Seattle, WA - USA • Vivian, NV (Carlin Terminal Siding) – USA • Malartic, QC (Octium Terminal Siding) - Canada • Seattle Rail head • Harbor Island (Seattle) Port • Port of Whittier • U.S. and Canadian Ports, as listed in the Draslovka Global Ocean Supply Chain Re-Certification Audit Report

Audit Implementation and Conclusions

The re-certification audit of Draslovka US / Canada Rail and Barge Transportation supply chain management was held on August 12, 2021.

The on-site portion of the audit was performed at the Draslovka Corporate Headquarters in Wilmington, Delaware – USA. The audit was performed by an independent third-party auditor who is pre-approved by the ICMI as a Lead Auditor for all types of Cyanide Code audits and as a technical expert for Cyanide Code audits of cyanide transportation and production operations.

The re-certification audit of Draslovka U.S./Canada Rail & Barge Supply Chain management operations was conducted on-site with additional reviews of due diligence information following the on-site audit activity. The supply chain management processes and the due diligence investigations of rail carriers and rail yards were conducted in accordance with the agreed upon audit plan and due diligence documentation requirements.

The Draslovka cyanide transportation management practices using rail carriers (including rail yards) and the AML Barge Operator (including ports) were evaluated against the ICMI Cyanide Code requirements documented in the ICMI Cyanide Code, ICMI Cyanide Code Transportation Protocol, and the ICMI Auditor Guidance for Use of the Cyanide Transportation Verification Protocol. The audit was conducted through on-site observations and discussions and interviews with multiple individuals in cross-functional roles in the Mining Solutions business of Draslovka. Additionally, records regarding equipment maintenance, shipment tracking, cargo labeling practices, shipping documentation, and emergency response records were randomly sampled and found to be acceptable.

The assessment was based on random samples of information and therefore deficiencies may exist which have not been identified. The depth to which records, and data were sampled was typical of an environmental, health and safety (EH&S) management system audit. Although legally required records were sampled to evaluate Cyanide Code compliance, legal compliance with federal, regional, and local regulations was not part of the scope of this evaluation.

The results of this re-certification audit and the related due diligence investigations indicate that the Mining Solutions business of Draslovka and all portions of its U.S. / Canada Rail & Barge Supply Chain are in FULL COMPLIANCE with ICMI Cyanide Code requirements.

Auditor's Finding

This supply chain is in FULL COMPLIANCE with the International Cyanide Management Code.

The Draslovka U.S./Canada Rail and Barge supply chain cyanide safety performance for the re-certification period was excellent, there were no cyanide-related safety incidents or accidents. The cyanide management practices using rail carriers (including rail yards) and the AML Barge Operator (including ports) were evaluated for Cyanide Code compliance using the 2021 version of the ICMI Cyanide Transportation Verification Protocol. Internal standards, policies, practices, and procedures regarding the management of the cyanide operations were reviewed.

The auditor found that the overall level of preparedness and understanding of ICMI Cyanide Code requirements was excellent. Management systems upon which the operation is based are mature, and requested records were readily available for review.

The results of this re-certification audit demonstrate that the Mining Solutions business of Draslovka and all portions of its U.S. / Canada Rail and Barge Supply Chain is in FULL COMPLIANCE with International Cyanide Management Code requirements.

Compliance Statement

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

Auditor Information

Audit Company:	MSS Code Certification Service, a division of: Management System Solutions, Inc. www.mss-team.com
Lead / Technical Auditor:	Nicole Jurczyk E-mail: njurczyk@mss-team.com
Date of Audit:	August 12, 2021

Auditor Attestation

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

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

Draslovka US/Canada Rail & Barge Supply Chain		December 30, 2021
Name of Operation	Signature of Lead Auditor	Date

Draslovka U.S./Canada Rail & Barge Supply Chain		December 30, 2021
Name of Operation	Signature of Lead Auditor	Date

Principles and Standards of Practice - Cyanide Transportation 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.

Interviews were conducted with Draslovka Mining Solutions and corporate personnel to confirm that before Draslovka initially qualifies a new customer for sodium cyanide, they follow a standard practice called the “First Order Process”. Regional Mining Solutions Field Technical Consultants evaluate the new customer for their ability to safely use and store material and they evaluate the possible routes that can be used to transport the cyanide from Draslovka to the customer site. This evaluation of the route includes consideration of population densities, infrastructure issues, pitch and grade of roads, and prevalence and proximity of water bodies. The route evaluation includes an evaluation of all portions of the route including rail transport, origination and destination rail yards, ocean carrier transport, ports, and barges, when applicable. Draslovka generally chooses shorter routes that do not go through population centers when possible. Trucking routes are determined by the trucking partners.

The risks associated with the route used to bring cyanide from Draslovka to a customer are evaluated as part of the First Order Process when the initial contract with the customer is established. The route assessment is performed by the Field Technical Consultant function within the Mining Solutions Business. Any necessary risk-mitigation measures are identified and defined during this First Order Process.

Draslovka obtains necessary governmental approvals and export / import licenses for international shipments. Records of community training sessions were reviewed and found to be acceptable.

Routes are re-evaluated periodically, usually during customer visits. The use of risk mitigation measures is part of the Draslovka standard security / product custody management process. The primary safety / security concern with the movement of cyanide by rail is that the rail cars are not to be stored for long periods of time and that rail cars keep moving. Confirmation was made that shipments are tracked regularly. Appropriate action is taken to ensure that cyanide shipments keep moving, stay on pre-designated routes, and that the location of shipments can always be determined. Records were available to demonstrate that Draslovka processes for assessing routes, risks, and applying appropriate countermeasures continue to be effective.

Draslovka uses its formal standards, policies, guidelines, formal contracts with safety, health, environmental, and security terms and conditions to ensure that cyanide is appropriately handled and transported by its transportation partners.

The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 1.1

Transport Practice 1.2: Ensure that personnel operating cyanide handling and transport equipment can perform theirjobs with minimum risk to communities and the environment.		
This requirement does not apply to the Draslovka area of responsibility within this supply chain. Draslovka uses its formal standards, policies, guidelines, formal contracts with safety, health, environmental, and security terms and conditions to ensure that cyanide is appropriately handled and transported by its transportation partners.		
The operation is:	☒ In Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 1.2

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

Draslovka maintains a fleet of rail equipment to transport cyanide that includes hopper cars, box cars, 20-foot intermodal containers (for Alaska route only), and ISO tanks. The equipment is designed and maintained to operate within the loads it will be handling. Draslovka maintains specific specifications for each type of equipment that is owns or leases. A database of maintenance requirements, inspections requirements, and records that planned activities took place was evaluated during the audit. The resources involved with tracking rail equipment and ensuring that appropriate maintenance is performed were interviewed.

Rail equipment is maintained according to maintenance requirements that are defined by U.S. Federal law. A sample of loading checklists was reviewed in which the adequacy of the transportation equipment is confirmed prior to each shipment.

Draslovka ensures authorized packaging is used for the solid sodium cyanide. Package specifications were reviewed during this audit. All specifications and testing records were found to be compliant and up-to-date with most recent re-certifications in 2021. Records were reviewed during the audit.

The Memphis Plant maintains detailed cyanide loading procedures for loading boxcars, hopper cars, and ISO tanks. LSI maintains procedures for loading intermodal containers. Safety interlocks are used to prevent overfilling of hopper cars. The shipments of bulk and semi-bulk packages in railcars and inter-modal containers are standard weights and standard blocking and bracing configurations are used.

Shipping paperwork was reviewed during the 2019 Chemours (now Draslovka) Production audit to confirm that shipment weights were consistent and acceptable. Draslovka uses its formal standards, policies, guidelines, formal contracts with safety, health, environmental, and security terms and conditions to ensure that cyanide is appropriately handled and transported by its transportation partners.	
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with Standard of Practice 1.3 ☐ Not in Compliance with

Transport Practice 1.4: Develop and implement a safety program for transport of cyanide.	
The shipments of bulk and semi-bulk packages in railcars and inter-modal containers are standard weights and standard blocking and bracing configurations are used. The Memphis Plant maintains detailed cyanide loading procedures for loading boxcars, hopper cars, and ISO tanks. LSI maintains detailed procedures for loading intermodal containers. These procedures and activities were confirmed during the most recent Production audit in 2019. Appropriate placards are displayed on all four sides of the transport vehicles. Additionally, there is an International Maritime Organization (IMO) requirement for the marine pollutant signage to be posted on the containers. Preventive maintenance and railcar inspection requirements are regulated by U.S. Federal law. Records were sampled for equipment used to transport cyanide in the re-certification period. Records showed that all required maintenance and inspection actions have occurred in a timely manner. Detailed procedures, blocking and bracing diagrams, and checklists are used by Draslovka and the LSI packaging operation during the loading of rail cars and inter-modal sea containers to prevent loads from shifting during transport. This was confirmed during the 2019 Chemours (now Draslovka) Production audit. U.S. Federal regulations require that railroads conduct random drug and alcohol testing and that drug abuse prevention programs are maintained. Draslovka also has these requirements are part of its contractual standard terms and conditions. Records were sampled and were found to be acceptable. Draslovka uses its formal standards, policies, guidelines, formal contracts with safety, health, environmental, and security terms and conditions to ensure that cyanide is appropriately handled and transported by its transportation partners.	
The operation is:	☒ in Full Compliance with

	☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 1.4

Transport Practice 1.5: Follow international standards for transportation of cyanide by sea.		
The Draslovka packaging specifications were reviewed as part of the re-certification audit and were found to be conformant to the packaging requirements of the IMO DG Code. Packaging reviewed during the 2019 Cyanide Code production audit and the 2021 transportation supply chain audit of one of Draslovka's carriers (Intermodal Cartage Group – IMCG) was appropriately marked and was found to be compliant with Chapter 5.2 of the IMO DG Code requirements. Loaded inter-modal containers were evaluated during the 2019 Cyanide Code production audit and were found to be marked and placarded in accordance with the IMO DG Code. Shipping documents were reviewed for a sample of ocean cyanide shipments. All information required by the DG Code is required as standard practice on Draslovka shipping paperwork. The container packing certificates from shipments were reviewed during the audit as part of the overall evaluation of shipping papers. Draslovka maintains records which show that the ocean transport is conducted in compliance with all international and U.S. Department of Transportation (DOT) requirements. Draslovka confirms that ocean carriers comply with stowage and separation requirements of Part 7 of the DG Code as part of its due diligence review process. Records were available for review during the audit. All information was found to be conformant to DG Code requirements.		
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 1.5

Transport Practice 1.6: Track cyanide shipments to prevent losses during transport.		
Draslovka uses a secure web-based rail car tracking system to track the movement of its rail cars. The movement of cyanide rail cars is tracked daily. Interviews were conducted and personnel stated that appropriate actions are taken to ensure that cyanide shipments keep moving, stay on pre-designated routes, and that location can always be confirmed. The following documentation is used to track inventory and movement of cyanide: bills of lading and shipping papers indicating the number of packages and amount of material. Shipping paperwork was reviewed during the audit and was found to be conformant to ICMI Cyanide Code requirements, including chain of custody requirements. Rail companies maintain databases with SDS information for the products they carry. This aspect of rail transportation is regulated and inspected by the U.S. Federal government. Draslovka uses its formal standards, policies, guidelines, formal contracts with safety, health, environmental, and security terms and conditions to ensure that cyanide is appropriately handled and transported by its transportation partners.		
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 1.6

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.	
There is no interim storage in this Supply Chain other than port activities. There is a change of transportation mode in Seattle, Washington. Intermodal containers are transferred from truck to railcar to barge at this point. The Sea-Pac operations were therefore considered to be an Interim Storage port location according to ICMI definitions. Draslovka confirmed through an initial on-site evaluation and through a 2021 Due Diligence refresh of information that Sea-Pac operations fulfill ICMI requirements. Personnel have been trained that in the area where the containers are transferred from the trucks to the railcars, smoking, open flames, eating and drinking are not allowed. The containers are not opened, and no personal protective equipment is necessary. The part of the yard at Sea-Pac where containers are transferred is still manned and access to the site is limited. The entire Port area has a heightened level of security through the Seattle Port Authority. The yard is locked at night and was considered to have adequate security. Containers are not near any stored materials during the normal operations and there is no planned storage of containers at Sea-Pac.	
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with Standard of Practice 2.1 ☐ Not in Compliance with

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.		
Draslovka has several key documents that were reviewed as part of this audit: 1) Mining Solutions Global Emergency Response Plan; 2) Transportation Emergency Information fact sheet for Draslovka Solid (Sodium or Potassium) Cyanide; and 3) the Canada Emergency Response Assistance Plan (ERAP) issued in June 2020. Together, the documents provide detailed plans, procedures and information to address all ICMI Cyanide Code emergency response requirements, including transportation related emergencies. The Draslovka emergency response plans are appropriate for all modes of transportation used by Draslovka and for interim facilities. The Transportation Emergency Information Fact Sheet has complete information that has been seen in use during transportation activities observed during previous Cyanide Code audits. The Transportation Emergency Information Fact Sheet is designed to address solid briquettes. The Draslovka plans are more general and universally applicable to all types of emergencies. The Transportation Emergency Information Fact Sheet has details of action steps for transporters. Professional emergency responders together with technical guidance from Draslovka would be responsible for addressing issues involving the way in which the structure of the vessel should be managed after an emergency. The response plans describe the different levels of response actions for anticipated emergency situations. The Mining Solutions Global Emergency Response Plan describes the steps that are to be taken by Cyanide Hot Line and other Cyanides Business personnel. The plans clearly outline the roles and responsibilities of external responders.		
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 3.1

Transport Practice 3.2: Designate appropriate response personnel and commit necessary resources for emergency response.		
Draslovka trains emergency responders at its production plant but does not have responsibilities to train personnel outside of Draslovka. The roles and responsibilities of Draslovka personnel are clearly described in the Mining Solutions Global Emergency Response Plan. Each rail partner is audited through Responsible Care audits for emergency response and training of responders. Draslovka uses its formal standards, policies, guidelines, formal contracts with safety, health, environmental, and security terms and conditions to ensure that cyanide is appropriately handled and transported by its transportation partners.		
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 3.2

Transport Practice 3.3: Develop procedures for internal and external emergency notification and reporting.		
Notification procedures and internal and external contact phone numbers are described in the Mining Solutions Global Emergency Response Plan. Emergency contact information is also contained in the Transportation Emergency Information fact sheet. The Mining Solutions Global Emergency Response Plan requires procedural review and reauthorization at least every three years. The Mining Solutions Global Emergency Response Plan Phone List is required to be checked at least annually. Drills are conducted on an annual basis to ensure notification and reporting procedures are kept current. The Mining Solutions Global Emergency Response Plan requires the notification of ICMI of any significant sodium cyanide incident within 24 hours. This supply chain has not had any cyanide incidents that would require reporting during the re-certification period.		
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 3.3

Transport Practice 3.4: Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.		
The Mining Solutions Global Emergency Response Plan details immediate actions, cleanup and disposal procedures, and first-aid actions. All aspects of recovery and neutralization are addressed. The Plan specifically prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide for treating a cyanide spill into surface water.		
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 3.4

Transport Practice 3.5: Periodically evaluate response procedures and capabilities and revise them as needed.		
According to the Mining Solutions Global Emergency Response Plan, emergency plans are checked at least every three years and notification numbers are checked at least annually. The Mining Solutions Global Emergency Response Plan and the phone list were last updated in 2021. According to the Mining Solutions Global Emergency Response Plan, the plan is to be tested by conducting drills at least annually**.** If an actual emergency response event occurs, an evaluation of the actual response may be used in lieu of an emergency response drill. Several drill critiques from the re-certification period were available for review.		
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 3.5

Rail Carrier, Rail Yard, Barge Operator, and Port Due Diligence Investigation Results

The Due Diligence portion of this evaluation included a review of information available for the U.S. / Canada Rail & Barge Supply Chain. Due diligence information was available for the operations, rail yards, and ports listed below and in the subsequent table in the following section. Due diligence information was found to be sufficient to conclude that the Draslovka U.S./Canada Rail and Barge Supply Chain, as described in this report is compliant with ICMI Cyanide Code requirements.

1) Union Pacific Railroad (UP)
2) Canadian National Railway (CN)
3) Alaska Railroad Company (ARRC)
4) Alaska Marine Lines (AML)
5) BNSF Railway (BNSF)
6) CSX Corporation (CSX)
7) Kansas City Southern (KCS)
8) Sea-Pac Transportation Services, LLC – Interim Storage – Change in Mode
9) Alaska West Express – ICMI Certified Signatory Trucking operation Seattle rail head to Seattle Port (certified January 9, 2020)
10) Harbor Island (Seattle) Port, Washington - USA
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Rail Terminals – Origin Loading Location	Destination / Interim Storage / Unloading Locations
• Marion, AR • Memphis, TN • Woodstock, TN (rail sidings within Draslovka and LSI facilities)	• Fairbanks, Alaska - USA • Laredo, Texas - USA • Nogales, Arizona - USA • Seattle, WA - USA • Vivian, NV (Carlin Terminal Siding) – USA • Malartic, QC (Octium Terminal Siding) - Canada • Seattle Rail head • Harbor Island (Seattle) Port • Port of Whittier • U.S. and Canadian Ports, as listed in the Draslovka Global Ocean Supply Chain Re-Certification Audit Report

The CN, UP, and ARCC railroads are directly contracted by Draslovka for rail shipments in the U.S. and Canada. The BNSF, KCS, and CSX railroads are contracted and controlled by the ocean carriers used by Draslovka for international ocean shipments. Information was available for all rail carriers to demonstrate that they have formal environmental, health, and safety programs that are aligned with ICMI Cyanide Code requirements.

The CN, UP, BNSF, KCS, and CSX railroads have continued to be certified Responsible Care® Partner companies for more than four years. As such, their rail management system, including rail yards and interchange point safety and security, has been audited by a 3rd – party auditing firm and has been found to be suitable and effective. According to interviews, Draslovka maintains close relationships with their rail partners on topics of safety. Information available for CSX shows that this rail partner also maintains a formal Public Safety and Environmental management system that includes the performance of frequent auditing and inspections.

The CN, UP, BNSF, KCS, and CSX are part of the TRANSCAER® (Transportation Community Awareness and Emergency Response) organization. Records regarding safety performance and the commitment to safe transportation through communities were reviewed and found to be consistent with ICMI Cyanide Code requirements. Rail transport is generally understood to be safer than truck transport. For this, and other reasons, Draslovka ships via rail rather than truck when possible.

For cyanide transport to destinations in Alaska, Draslovka contracts the Union Pacific Railroad (UP) to move cyanide in intermodal containers to the Seattle railhead. The containers are picked up by an ICMI Cyanide Code certified trucking company (Alaska West Express) and brought to the Harbor Island (Seattle) Port where the Alaska Railroad Corporation (ARRC) takes possession of the cargo. Sea-Pac, under contract to ARCC loads the intermodal containers onto special railcars used for rail-barge shipments to Whittier Alaska by Alaska Marine Lines (AML). In Whittier, the railcars are rolled back onto the rails and are brought to the Alaska West Express (AWE) yard in Fairbanks by ARCC. AWE stores the containers and then transports them to mines in Alaska. The audit and ICMI re-certification audit of Alaska West Express operations in Seattle and Fairbanks in 2019 are the subjects of a separate audit report and are not discussed further here.

The Alaska Railroad Corporation (ARRC) is owned by the State of Alaska, but it is incorporated and run like a private business. The railroad operates year-round passenger service and freight train service from Seward to Fairbanks-North Pole. Draslovka initially conducted an on-site Due Diligence assessment of ARRC using a customized ICMI Cyanide Code protocol. In 2021 Draslovka refreshed this information and re-affirmed that operations were still compliant with Cyanide Code requirements. According to information provided by ARRC and information available on the company web-site, ARRC has a strong safety, security and environmental program. Formalized policy statements for safety and environmental stewardship are in alignment with Code requirements.

Alaska Marine Lines (AML) is part of the Lynden family of companies; with Corporate headquarter offices in Anchorage, Alaska and Seattle, Washington. A formalized policy statement for environmental stewardship posted on the company web-site is in alignment with Cyanide Code requirements. The Draslovka initial Due Diligence review of ARRC included a review of the Sea-Pac interim storage and AML barge portion of the transportation. Draslovka tracks all accidents and incidents involving their product shipments and no accidents or incidents have been reported for either ARRC or AML since Draslovka started using these companies in 1996.

Draslovka has confirmed through its interactions and due diligence reviews that its Alaska transportation partners operate in a manner that is consistent with ICMI Cyanide Code requirements.

Principles and Standards of Practice - Cyanide Transportation 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.

Draslovka started transporting Sodium Cyanide via rail in the 1980s. The railway that services Draslovka out of the Woodstock, TN location is the Canadian National Railway (CN), which is privately owned. The rail cars are interchanged to the Union Pacific Railroad (UP) at the Memphis, TN interchange yard for shipments destined for Nevada, USA and Hermosillo, Mexico. Rail cars destined for San Luis Potosi, Mexico are interchanged with Kansas City Southern (KCS) in Jackson, Mississippi. Rail cars destined for Malartic, Canada go directly using the CN Railway. There are no other choices of rail partners for the moves out of Woodstock, TN because the railroads own the track that is used.

The point of introducing rail boxcars, hopper cars, and ISO tanks into the rail system is from within the Draslovka plant site perimeter. The operation was most recently evaluated during the 2019 Cyanide Code production audit. The rail sidings are within the secure fence-line of the facility and there is no storage of loaded rail cars outside the secure point of loading. The railroads maintain control over routing and employ specific safety measures to ensure the safest transit of hazardous materials possible.

The points of introducing cargo into the intermodal (rail) network are Marion, Arkansas and Memphis, Tennessee. The intermodal containers are trucked to the Union Pacific, CSX, or BNSF rail heads, at which point they are loaded onto a rail car. Truck drivers must be registered for each individual rail yard and the entry into rail yards, including the ones used in this Supply Chain, is strictly controlled.

The current route transporting sodium cyanide to Alaska was originally evaluated and chosen in 1996. Although a remote and very extensive routing over highways could be used to reach customers in Alaska, the more direct and safer routing that was chosen to transport cyanide to the Fairbanks, Alaska area is a combination of rail to the UP railhead in Seattle, the use of a certified Signatory trucking partner (Alaska West Express) from the railhead to Harbor Island (Seattle) Port, ocean rail barge (AML), Alaska Railroad (ARCC) to Whittier Port, and ARCC rail to Fairbanks (to interim storage), and highway to the mine. Alaska West Express, an ICMI Signatory company, operates its certified interim storage and truck transport operations in Fairbanks.

According to the United States Code of Federal Regulations (CFR) Part 172.820, each railroad operating in the United States must perform an extensive risk assessment and route analysis each calendar year. The safety and security risks present along the routes must be analyzed for the rails and railroad facilities. According to the regulation, railroad facilities are railroad property including, but not limited to, classification and switching yards, and storage facilities. In performing the analysis required by the regulation, the rail carrier must seek relevant information from state, local, and tribal officials, as

appropriate, regarding security risks to high-consequence targets along or in proximity to the route(s) utilized. If a rail carrier is unable to acquire relevant information from state, local, or tribal officials, then it must document that in its analysis.		
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 1.1

Transport Practice 1.2: Ensure that personnel operating cyanide handling and transport equipment can perform theirjobs with minimum risk to communities and the environment.

Confirmation was made that all railroads have formal environmental, health, and safety (EHS) programs in place that include internal and/or external auditing programs. The CN, UP, BNSF, KCS, and CSX railroads have continued to be certified Responsible Care® Partner companies for more than four years. As such, their training programs and employee qualification processes have been audited by a third – party auditing firm and have been found to be suitable and effective. The fulfillment of required training is a specific requirement of the Responsible Care Management System (RCMS). The CN, UP, BNSF, KCS, and CSX are part of the TRANSCAER® (Transportation Community Awareness and Emergency Response) organization. Records regarding safety performance and the commitment to safe transportation through communities were reviewed and found to be consistent with ICMI Cyanide Code requirements.

As part of the Draslovka initial Due Diligence review of ARRC and AML it was determined that employees are trained annually in the transportation of hazardous materials. According to information provided by ARRC, it regularly trains its employees in the safe handling of hazardous materials and conducts regular emergency response drills – including drills involving sodium cyanide. Draslovka reviewed this information in 2021 and concluded that ARRC and AML practices continue to be acceptable.

Information publicly available for CSX (a rail carrier used by Draslovka-contracted ocean carriers) shows that the railroad has a very good safety performance and formal Public Safety and Environmental management system in place. The railroad confirmed that it is in compliance with U.S. Federal requirements for rail operations and that a formal risk assessment of all routes and rail facilities was performed within the past calendar years, as required by regulations.

Draslovka confirmed through its Due Diligence evaluations that the barge operation AML and both ports used in this Supply Chain have personnel who are properly trained to handle hazardous materials.

The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 1.2

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

The CN, UP, BNSF, KCS, and CSX railroads have maintained Responsible Care Management System certifications for years and undergo a full management system audit which includes a review that the preventive maintenance program for transportation equipment is suitable, adequate and effective. The proper maintenance of rail equipment is also heavily regulated and inspected by the U.S. Federal government, which helps to ensure fulfillment of rail equipment preventive maintenance and inspection requirements by all railroads used in this Supply Chain.

Draslovka tracks transportation incidents for all transportation modes used throughout the world. The incident tracking database was reviewed during the audit. No significant rail transportation incidents involving sodium cyanide shipments have occurred in this supply chain during the re-certification period.

Draslovka ensures authorized packages are used for solid sodium cyanide. Package specifications were reviewed during this audit and were found to be compliant. Checklists and procedures used by Draslovka and its packaging operations require an inspection of the cargo, containers, and rail equipment to ensure that all equipment is deemed to be safe for transport.

The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 1.3

Transport Practice 1.4: Develop and implement a safety program for transport of cyanide.		
Limitations on worker hours in the U.S. rail industry are strictly regulated and enforced by the U.S. Government. Draslovka contracts require transportation partners to adhere to all applicable regulations. There is therefore no need for Draslovka to impose additional worker hour limitations in its contractual agreements. Detailed procedures, blocking and bracing diagrams, and checklists are used by Draslovka and the LSI packaging operation during the loading of rail cars and inter-modal sea containers. U.S. Federal regulations require that railroads conduct random drug and alcohol testing and that drug abuse prevention programs are maintained. Draslovka also has these requirements are part of its contractual standard terms and conditions. Records were available to demonstrate that the applicable ICMI Cyanide Safety Program requirements had been fulfilled. Sea-Pac, Port, and Barge operations, including worker safety programs are regulated through a number of U.S. regulatory agencies including the U.S. Occupational Health and Safety Administration and the U.S. Coast Guard.		
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 1.4

Transport Practice 1.5: Follow international standards for transportation of cyanide by sea.
In order to confirm that the barge shipments to Alaska are compliant to ICMI Cyanide Code requirements, Mining Solutions Field Technical Consultants initially performed on-site Due Diligence investigations of Alaska Rail (ARCC), Alaska Marine Lines (AML), Sea-Pac (intermodal movement at the Seattle port), and of the Seattle Port. Draslovka refreshed this information in 2021 and confirmed that operations are still acceptable. The Port of Whittier (destination port in Alaska) was evaluated through an initial on-site Due Diligence review for ICMI Cyanide Code by ARCC. ARCC is contractually responsible for the barge move and the subsequent offloading of the railcars in Whittier, Alaska. Draslovka concluded that ARRC, AML, Sea-Pac, and port operations are conducted in compliance with all ICMI, international, and U.S. Department of Transportation (DOT) requirements. Specific information regarding this practice is addressed below: As recommended by the ICMI Auditor Guidance for the Use of the Cyanide Transportation Verification Protocol, specific information regarding this practice is addressed below: *a) Is the cyanide shipment packaged as required by Part 4 of the IMO DG Code and according to the packaging instructions and packaging provisions indicated on the DGList?*

The Draslovka packaging specifications were reviewed as part of the re-certification audit and were found to be conformant to the packaging requirements of the IMO DG Code.

b) Are cyanide packages marked as required by Section 5.2.1 of the IMO DG Code and according to the labeling requirements indicated on the DG List?

Packaging reviewed during the 2019 Cyanide Code production audit and the 2021 transportation supply chain audit of IMCG was appropriately marked and was found to be compliant with Chapter 5.2 of the IMO DG Code requirements.

c) Are cyanide packages labeled as required by Section 5.2.2 of the IMO DG Code and according to the labeling requirements indicated on the DG List?

Packaging was reviewed during the 2019 Cyanide Code production audit and the 2021 transportation supply chain audit of IMCG. Packaging was appropriately labeled and was found to be compliant with Chapter 5.2 of the IMO DG Code requirements.

d) If cyanide is shipped in cargo transport units, are the units placarded and marked as required by Chapter 5.3 of the IMO DG Code?

Loaded inter-modal containers were evaluated during the 2019 Cyanide Code production audit and were found to be marked and placarded in accordance with the IMO DG Code.

e) Has a dangerous goods transport document been prepared with the information required under Chapter 5.4 of the DG Code?

Shipping documents were reviewed for a sample of ocean cyanide shipments. All information required by the DG Code is required as standard practice on Draslovka shipping paperwork.

f) If the cyanide is packed or loaded into a container, has a "container/vehicle packing certificate" been prepared meeting the requirements of Section 5.4.2 of the DG Code?

The container packing certificates from shipments were reviewed during the audit as part of the overall evaluation of shipping papers. All information was found to be conformant to DG Code requirements.

g) Does the ship carrying the cyanide have a list or manifest identifying the presence and location of the cyanide or a detailed stowage plan including this information, as requiredunder Section 5.4.3.1 of the DG Code?

Draslovka maintains records which show that the ocean transport is conducted in compliance with all international and U.S. Department of Transportation (DOT) requirements.

h) Does the ship carrying the cyanide have cyanide emergency response information, as required under Section 5.4.3.2 of the DG Code?

Draslovka maintains records which show that the ocean transport is conducted in compliance with all international ocean and U.S. Department of Transportation (DOT) requirements.

i) Does the ship comply with the stowage and separation requirements of Part 7 of the DG Code? Draslovka confirms that ocean carriers comply with stowage and separation requirements of Part 7 of the DG Code as part of its due diligence review process. Records were available for review during the audit.	
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with Standard of Practice 1.5 ☐ Not in Compliance with

Transport Practice 1.6: Track cyanide shipments to prevent losses during transport.	
Draslovka uses a secure web-based rail car tracking system to track the movement of its rail cars. The movement of cyanide rail cars is tracked regularly. Interviews were conducted and personnel stated that appropriate actions are taken to ensure that cyanide shipments keep moving, stay on pre-designated routes, and that location can always be confirmed. Shipping paperwork was reviewed and was found to be conformant to Cyanide Code requirements, including chain of custody requirements. The following documentation is used to track inventory and movement of cyanide: bills of lading and shipping papers indicating the number of packages and amount of material. The abovementioned documents were reviewed during the audit. Rail companies maintain databases with SDS information for the products they carry. This aspect of rail transportation is regulated and inspected by the U.S. Federal government. Barge movements are managed by ARCC. If there are questions as to the location of a shipment that is under ARCC / AML control, Draslovka has ready access to this information through ARCC.	
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with Standard of Practice 1.6 ☐ Not in Compliance with

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 only "interim storage" activities associated with this supply chain are the port operations including the Sea-Pac Transportation operations at the Harbor Island Port in Seattle, Washington. Although the intermodal containers are not generally stored at Sea-Pac, they are transferred from truck to railcar to barge at this point. The operation is therefore categorized as "interim storage" under ICMI guidelines. The operation is at the Harbor Island Port (the Seattle Port) and was therefore evaluated initially on-site through a Due Diligence evaluation performed by Mining Solutions Field Technical Consultants. The Due Diligence information was refreshed in 2021 and Draslovka concluded that operations continue to be acceptable. Intermodal containers from Draslovka production and packaging facilities bound for Alaska arrive in Seattle on the Union Pacific (UP) railroad into the UP rail yard. A certified Signatory trucking operation, Alaska West Express, brings the intermodal containers several miles to Sea-Pac. Upon arrival at the port, Sea-Pac lifts the intermodal containers off the trucks and loads them onto specially designed 60-foot railcars that are used to transport the cyanide onto the AML barge and to their final rail destination, Fairbanks, Alaska.		
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with ☐ Not in Compliance with	Standard of Practice 2.1

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.
CN, UP, BNSF, KCS, and CSX have certified Responsible Care® management systems which include emergency response planning. As such, emergency response plans audited by a third-party auditing company at least once every three years. U.S. Federal regulation CFR 172.820 also requires that each railroad have sufficient risk assessment and emergency plans for routes and rail yards in place. In Canada, emergency plans are filed with the government. This was confirmed during the 2019 Canada Supply Chain certification audit. CSX reported that it complies with all U.S. Federal requirements, including those for risk

assessment and emergency planning. Draslovka initially confirmed through Due Diligence evaluation that ARCC, AML, and the ports involved in this supply chain maintain sufficient emergency planning information. This information was refreshed in 2021 and Draslovka concluded that operations continue to fulfill Cyanide Code requirements.	
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with Standard of Practice 3.1 ☐ Not in Compliance with

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

The transportation partners included in the scope of this report have designated appropriate response personnel and committed necessary resources for emergency response.

In the U.S., emergency response planning, resource allocation, and emergency response training requirements for transporters of hazardous materials are governed by the U.S. Code of Federal Regulations (CFR) 172, Subpart G, H, and I. Rail carriers are strictly regulated and inspected by the U.S. Federal Railroad Administration. Rail carriers are required to update their emergency safety and security plans for rail yard and in-transit emergencies annually and ensure that the emergency response plans are resourced and that personnel are trained in the emergency planning procedures.

Additionally, most of the railroads are members of TRANSCAER - a voluntary U.S. national outreach organization of railroads that is dedicated to emergency response planning and community outreach. According to publicly available information, the following railroads received TRANSCAER awards for achievement in 2020 (for 2019): BNSF Railway (BNSF), Canadian National Railway (CN), CSX Corporation, Kansas City Southern (KCS), Union Pacific Railroad (UP).

The barge operator (AML) and U.S. Ports are governed by the U.S. Coast Guard and U.S. Federal Department of Homeland Security requirements. Applicable legislation, namely the Federal Water Pollution Control Act (1990), the Coast Guard and Maritime Transportation Acts of 2004 and 2006, and the Department of Homeland Security Rule - September 2013 (33 CFR, Parts 151, 155, and 160) require that ports and maritime transporters perform risk assessment and develop spill response plans to ensure that there is an immediate and appropriate response to a hazardous materials or oil spill emergency. Requirements within the regulations call for competent personnel to be trained and available to coordinate emergency response actions and internal or contracted personnel to be available to respond to the emergency. Compliance with the resourcing requirements of these U.S. regulations is confirmed by

government agencies. Draslovka also offers immediate technical assistance for any cyanide spill and offers emergency resources for spills that might occur near a Draslovka site. Draslovka contracts with CHEMTREC to ensure that appropriate notifications and emergency response is initiated if there is an incident.	
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with Standard of Practice 3.2 ☐ Not in Compliance with

Transport Practice 3.3: Develop procedures for internal and external emergency notification and reporting.	
The CN, UP, BNSF, CSX, and KCS are part of the TRANSCAER® (Transportation Community Awareness and Emergency Response) organization which helps with notification requirements. Draslovka contracts with CHEMTREC to ensure that appropriate notifications and emergency response is initiated if there is an incident on any rail or barge move.	
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with Standard of Practice 3.3 ☐ Not in Compliance with

Transport Practice 3.4: Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.	
CN, UP, BNSF, KCS, and CSX are certified to Responsible Care®. As such each railroad is required to have a formal emergency response program. Although the emergency response plans were not reviewed during the due diligence review, Draslovka does have procedures in place for the remediation of a cyanide spill and Appendix C of the Mining Solutions Global Emergency Response Plan also specifically prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide for treating a cyanide spill into surface water. Interviews with Draslovka personnel during this and previous Cyanide Code audits showed a high level of awareness that the use of treatment chemicals is prohibited if cyanide spills into surface waters. All aspects of recovery and neutralization are addressed in the Mining Solutions Global Emergency Response Plan.	
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with Standard of Practice 3.4 ☐ Not in Compliance with
Transport Practice 3.5: Periodically evaluate response procedures and capabilities and revise them as needed.	
Draslovka Cyanide Hotline personnel are periodically involved in drills performed by sites and transportation partners. As part of the rail carrier safety programs such as TRANSCAER® *(Transportation Community Awareness and Emergency Response)*, drills and exercises (not necessarily cyanide specific) are conducted to test response capabilities. According to the initial ARRC due diligence investigation, ARRC and AML perform annual drills, as required by the State of Alaska. Draslovka has participated in these drills in the past. Draslovka refreshed this information and re-affirmed in 2021 that operations fulfill requirements. CN, UP, BNSF, KCS, and CSX are certified to Responsible Care®. As such each railroad is required to regularly conduct emergency response drills and maintain up-to-date emergency response information. This practice is confirmed at least every three years by a third-party auditing firm.	
The operation is:	☒ in Full Compliance with ☐ In Substantial Compliance with Standard of Practice 3.5 ☐ Not in Compliance with