

1. Introduction

Corundum can have a high value, it can be concealed, and cannot be traced. The production and handling of corundum at the mine will therefore raise security risks and measures must be in place to manage these risks.

The purpose of the Aappaluttoq security system will be to protect those working at and visiting the mine and the public of Greenland from harm, and to protect the financial interests of True North Gem's shareholders and the Government of Greenland, through the prevention of theft and attempted theft.

The objective of the security system is to prevent any loss of corundum product and other company property throughout the mine life, without compromising operational continuity and efficiency, and to ensure the mine remains free of drugs and alcohol.

The following provides a general description of the approach to managing security and the types of security measures that will be adopted. For security reasons, certain information about security measures will not be included in this description. As the project nears the operational phase and additional security personnel are hired, the security arrangements will become more prescribed and detailed. They will also be adapted as a result of working experience.

2. General

The security system will involve a wide variety of components that complement and support each other, including:

- Policies and procedures;
- Employee screening and training;
- Facility design and process flow;
- Access controls;
- Security hardware (biometrics, CCTV, alarms etc.);
- Product tracking systems and stock controls;
- Relationships with local authorities and communities.

3. Risk-based approach

Risk assessments will be carried out on a regular basis by the company to identify risks, their likelihood of happening, the level of exposure (how much of the time the risk is present), the severity of the consequences if it did occur, and the measures available to prevent or mitigate the risk. (Mitigation normally being a matter of detection, apprehension and recovery).

Prior to and during operations, comprehensive reviews will also be undertaken of the entire process flow, from the mine face to the point of export, to identify all points where corundum can be removed without being promptly detected. Measures will be established and continuously improved for each such point, in order to prevent theft and ensure prompt detection of attempted theft.

3.1. Risk scenarios

There are three basic types of risks of product theft that the project would be exposed to:

1. Opportunistic, amateur-type theft of product (or other forms of property) by employees, contractors or visitors, usually acting alone.

2. Robbery, where detection is usually self-evident. Varying levels of sophistication could be involved. The consequences, particularly for personal safety, are potentially quite serious.

3. Theft by organized criminals, involving groups of people with connections to buyers, in a manner designed to be undetected.

The security system needs to address all of these threats and combinations of them.

4. Security Measures

4.1. Site Access

No persons will be permitted to enter onto the mine site or the sorthouse unless:

1. Access has been approved by the mine manager or the sorthouse manager or their delegates; and
2. A search waiver has been signed, or the mine manager or the sorthouse manager have deemed the waiver is not required.

4.2. Policies and procedures on searches of personnel and personal property

All employees, contractors and visitors to the mine site and the sorthouse will be required to sign a waiver allowing for searches for product and contraband to be conducted of themselves and of their personal property.

All personal property entering and leaving the mine site or the sorthouse will be subject to search by security personnel.

Facilities such as lockers will be in place to hold personal property (such coats, backpacks etc) before personnel enter high security areas.

All persons entering and leaving the mine site or the sorthouse will be subject to search by security personnel (who will be of the same gender), conducted similar to airport security searches. Searches will be conducted randomly or where there are reasonable grounds for suspicion.

A written protocol for searches of persons will be established and strictly enforced.

4.3. Access to high security areas

Certain parts of the mine will be designated high security areas with controlled access only by designated personnel. Where possible, biometric readers and “man trap” double doors will be used to access these areas.

4.4. Monitoring and alarms

Alarms will be installed at appropriate locations and will be monitored.

4.5. CCTV

CCTV cameras will be in place at appropriate locations and will be monitored. Storage of data will be in a separate, secure location.

4.6. Security induction

All new personnel and site visitors will be given a security induction by a member of the security staff, or as designated by the site manager. The induction will explain the relevant security obligations depending on the nature of the work or visit.

4.7. Responsibilities

Job descriptions will clearly set out who has management responsibility if there is a security breach in any part of the operation.

Security personnel will observe activities but will not be permitted to handle product during the normal course of their work.

4.8. Employee screening

A criminal record check will be required for all employees.

Additional reference checks and other testing may be used for security personnel, and personnel working in high security areas.

4.9. Employee discipline

Personnel who have, or there are reasonable grounds to believe they have engaged in theft of product or any other company property, will be subject to employee discipline which may include immediate termination.

4.10. Reporting of incidences

All incidences of theft or suspected theft will be reported to the police.

4.11. Voluntary Principles on Security and Human Rights

True North Greenland will operate in accordance with the Voluntary Principles on Security and Human Rights (2000).

4.12. Ruby Track™

The Ruby Track™ database will be an important part of the security system. If the system detects an anomaly, it will immediately be reported to management and actions taken to investigate the cause.

4.13. Security measures at the open pit and stockpile

Casual access to the open pit will not be allowed.

Any work carried out on foot in the open pit will be kept to an absolute minimum.

Blasted ore will be loaded into dump trucks using an excavator, and hauled to the process plant where it will either be tipped directly into the primary crusher feed hopper, or the stockpile. The stockpile will be held within a fenced area under CCTV surveillance.

In order to protect high grade ore, allowance will be made for such high grade ore to be picked up by hand, where at least two authorized personnel are present, and the ore is placed immediately in a “lock box” that is in the custody of an authorized person.

4.14. Security measures in the process plant

The process plant will only be accessible to authorized personnel.

Searches will be conducted of personnel entering and leaving the process plant.

CCTV surveillance will be in place throughout the process plant.

Hand picking locations and any other areas where product is recovered will have restricted access.

Protocols will be in place to recover any product that is found in a location where it should not be present, based on the normal process flow.

4.15. Shipments

Product will be shipped in secure, sealed containers with unique identification numbers entered on Ruby Track™. Information about shipments will be kept strictly confidential.

Two persons will be present whenever containers are sealed and whenever seals are broken. Each event will be logged.

4.16. Security measures in the HF cleaning facility and the sorthouse

The sorthouse and HF cleaning facility will only be accessible by authorized personnel and visitors who are approved in advance.

Personnel entering and leaving the sorthouse will be subject to searches.

CCTV cameras and alarms will be in place in appropriate locations.

Stock control protocols will be strictly enforced and will require the recording of the weight of the parcel and the person to whom the parcel is assigned when each parcel leaves the vault, and when the parcel is returned to the vault.

A weight check will be conducted at the end of each shift. Personnel will not be permitted to leave the sorthouse if the weight checks show a discrepancy.

The HF cleaning facility and process will be subject to specific security measures that prevent access to the corundum being cleaned until weights and contents of the cleaning vessels have been verified. Refer to “Appendix 6 – HF Cleaning” in the EIA.

4.17. Relationships with the authorities and communities

Relationships will be maintained with the local police authorities to share intelligence and evaluate security risks.

Relationships will also be established with the local communities and in cooperation with the local authorities, to develop security awareness and encourage reporting of suspicious behavior.