
ICMI Cyanide Code Transportation Summary Re-Certification Audit Report



**Submitted to:
International Cyanide Management Institute
1400 I Street, NW – Suite 550
Washington, DC 20005
USA**

2015 Audit Cycle



www.mss-team.com

Company Information:

Name of Operation:	Alaska West Express Inc.
Alaska West ICMC Contact Information:	Tyler Bones HSSE Manager tbones@awe.lynden.com (907) 328-4332 office (907) 456-2266 fax
Terminal Addresses:	Fairbanks Terminal 1095 Sanduri St Fairbanks AK 99701 Tacoma Terminal 2902 Taylor Way Tacoma WA 98421

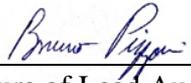
Location detail and description of operation:

Alaska West Express (AWE) is part of the Lynden family of companies. AWE provides truck transportation throughout the United States and Canada, and specializes in providing transportation to and from destinations in Alaska. AWE transports liquid- and dry-bulk products, petroleum, and hazardous and non-hazardous chemicals. AWE has terminals in Anchorage and Fairbanks, Alaska, as well as Tacoma, Washington. The AWE Fairbanks and Tacoma Terminals manage cyanide and were included in this re-certification audit.

AWE has been in operation for over 30 years and has been safely transporting cyanide for over 13 years. AWE has been part of an International Cyanide Management Code (ICMC) certified Supply Chain since 2010.

The Fairbanks Terminal is specialized in transporting commodities and equipment to mining customers in the region. At the time of the audit AWE was receiving intermodal containers packed with intermediate bulk container (1 ton bags in boxes) of solid sodium cyanide via the Alaska Railroad Company (ARRC). The intermodal containers are shipped from points in the U.S. to the Port of Whittier, Alaska. The intermodal containers are delivered directly into the AWE Terminal

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on a rail spur. AWE offloads the intermodal containers, stores them in a secure yard, and transports the containers to customers when requested to do so.

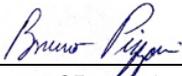
The Tacoma Terminal provides dray services to and from ports in Washington (Tacoma, Seattle, and Everett) and rail yards in Washington. AWE also transports cargo directly to end-customers, including mining operations. There is no storage of any cargo at the Tacoma Terminal. The Health, Safety, Security, and Environmental (HSSE) program and maintenance programs are centrally managed at AWE. The company maintains extensive procedures, plans, and computerized systems to ensure that operations at all locations conform to the same HSSE and equipment maintenance standards. The HSSE Manager and Maintenance Manager have responsibility, accountability, and authority over all HSSE and equipment maintenance aspects of operations at all AWE locations.

Audit Implementation

The audit was performed by an independent third-party audit team that fulfills the International Cyanide Management Institute (ICMI) audit team requirements including an ICMI pre-approved Lead Auditor for all types of the ICMC audits and as a technical expert for ICMC audits of cyanide transportation and production operations.

AWE cyanide transportation management practices were evaluated against the ICMC requirements, as documented in the ICMI Cyanide Transportation Verification Protocol. AWE internal policies, procedures, and practices were reviewed. The audit was conducted through discussions and interviews with AWE personnel at the Fairbanks and Tacoma Terminals.

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Auditor's Finding

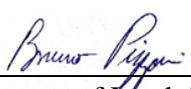
Alaska West Express cyanide transportation operations based in the terminals in Fairbanks, Alaska and Tacoma, Washington were found to be in FULL COMPLIANCE with the International Cyanide Management Code.

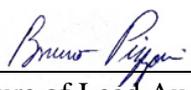
Confirmation was made that the operations have not experienced any cyanide spills or exposure incidents.

Audit Company:	MSS Code Certification Service www.mss-team.com
Lead / Technical Auditor: Cyanide Auditor:	Bruno Pizzorni Ralf Jurczyk E-mail: CodeAudits@mss-team.com
Date(s) of Audit:	December 2-5, 2015

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

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

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

Summarize the basis for this Finding:

AWE maintains a documented and extremely well organized computer-based equipment maintenance program that is administered from Fairbanks and applied to all AWE transportation and handling equipment at each terminal. Equipment specifications and the design of the tractors, flatbed trailers, and chasses versus the weight of the loaded intermodal containers were confirmed at both locations. The Fairbanks Terminal also uses forklifts to move the intermodal containers from the rail to interim storage and to the flatbed trailers used to bring the containers to the mine sites. The lifting capacities and maintenance records for the forklifts were reviewed and were found to be appropriate for the loads that must be lifted. The Tacoma terminal does not lift the intermodal containers; tractors and triple-axle and spread-axle chasses are used for cyanide shipments at this location. Trailers and chasses were inspected to confirm that data specification plates showed tolerances above the maximum cyanide load hauled.

AWE transports intermodal containers that are consistently packed with the same number of cyanide 1-ton boxes each time. AWE does not open the intermodal containers. Shipping papers are checked for weights and the equipment is inspected prior to each delivery to ensure that it can safely transport the load.

Transport Practice 1.4: *Develop and implement a safety program for transport of cyanide.*

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

Summarize the basis for this Finding:

AWE maintains a well-documented and detailed safety program. Records for the re-certification period were used to confirm that ICMC requirements are being fulfilled at each terminal. The AWE *Industrial Health and Safety Manual* addresses all ICMC requirements.

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Cyanide packages are loaded by the shipper. AWE does not open the intermodal containers at either the Fairbanks or Tacoma Terminals. Upon arrival at the AWE Fairbanks storage yard, containers are secured with an additional lock and they are stored with doors facing each other to prevent tampering. The Tacoma Terminal does not store containers and they remain sealed with their shipper-installed blocking and bracing equipment during transport.

Pre-trip inspection records were sampled at both locations and were found to be acceptable. Appropriate placards (UN number and hazard class) are displayed on all four sides of the transport vehicles.

AWE maintains a formally documented and computerized equipment maintenance program for all equipment at both locations. A database showing all equipment, planned maintenance activities, and past maintenance activities and inspections is maintained. The Maintenance Manager was interviewed and records were reviewed to confirm that all planned inspections and maintenance activities were being conducted.

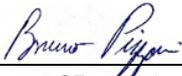
The formally documented, centrally administered safety program includes limitations on drivers' hours in accordance with U.S. Federal Motor Carrier Safety Regulations (FMCSR). Drivers are informed of legal requirements, and are encouraged to stop driving if they become too tired (empowerment). Interviews indicated that the need for compliance with these requirements is well understood by drivers.

In order to prevent loads from shifting, AWE drivers confirm that the load has been properly secured after the cargo has been lifted onto the trailer or chassis. AWE maintains a documented procedure for cargo load securement: Industrial Health and Safety procedure number 2.14. The Tacoma Terminal uses triple-axle and spread-axle chassis with locking pin mechanisms used to secure the loads. The intermodal containers are packed by the shipper and are not opened and remain locked during transportation activities in Tacoma. There is no storage activity at this location.

AWE carefully monitors driving conditions and is linked into several alert systems that would be used to inform AWE if driving conditions are unsafe. Drivers and dispatchers were very aware of procedures for suspending deliveries if conditions such as severe weather or civil unrest are encountered. The *AWE Industrial Health and Safety Manual* states that drivers are empowered to stop if they feel fatigued.

A drug abuse prevention program has been implemented and drivers are randomly selected to undergo sampling. Interviews were conducted and records for the re-certification period were available for both locations to demonstrate that the all ICMC requirements are well understood and that they had been fulfilled.

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Transport Practice 1.5: Follow international standards for transportation of cyanide by sea and air.

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

Summarize the basis for this Finding:

AWE does not transport intermodal containers by sea or by air. This section of the ICMI Cyanide Code does not apply to the operation.

Transport Practice 1.6: Track cyanide shipments to prevent losses during transport.

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

Summarize the basis for this Finding:

AWE maintains a procedure for establishing new routes for sodium cyanide. One aspect of this procedure is that trucks must have communication equipment in the truck during all deliveries. Trucks are to either be equipped with Qualcomm/Shaw satellite tracking or other means of communications, such as radios, CBs radios or cell phone. Interviews confirmed this practice. Additionally, individual route plans have more specific requirements when required. In one case, for example, delivery to a specific mine site requires the use of a radio on that mine road. Aside from this one road, blackout areas do not present a problem on the routes traveled by AWE.

The satellite tracking systems and radios in the trucks at each location are part of the regularly schedule preventive maintenance program. Additionally, the HSSE Manager reported that they confirm the proper functioning of their communications equipment as part of the pre-trip inspection process.

In Fairbanks, AWE transports many commodities to the mines and dispatches multiple trucks to each mine every day. Dispatchers remain in close contact with trucks throughout each day. Route plans for each cyanide route at both locations require drivers to communicate with the dispatcher upon delivery of the cyanide. These practices were confirmed through interview.

Intermodal containers are kept sealed and locked. AWE maintains inventory controls on all

Alaska West Express Name of Operation Signature of Lead Auditor Bruno Pizzini Date March 1, 2016

containers stored in the secure yard. AWE does not open the containers. Customers sign the shipping papers when they receive the cyanide. Records of this process were available for review and were found to be complete for the audit re-certification period. The amount of cyanide is noted on the shipping paperwork. Safety Data Sheets were available at the Terminal and are sent with the drivers. This practice was confirmed through interviews.

2. INTERIM STORAGE: *Design, construct and operate cyanide trans-shipping depots and 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
 in substantial compliance with Transport Practice 2.1
 not in compliance with

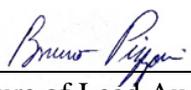
Summarize the basis for this Finding:

The Fairbanks Terminal is the only location where cyanide is stored. Intermodal containers are stored in an open, but secure storage yard at the AWE Terminal. The intermodal containers have placards affixed that show the UN number and the hazard class. All employees who have contact with containers are cyanide trained. Due to security concerns, there are no signs (beyond placarding of the intermodal containers) indicating that cyanide is stored in the area. Interviews indicated that no smoking, eating, drinking, or open flames are allowed in the storage area. The intermodal containers are not opened while at AWE. Personal protective equipment includes a hard hat, safety vest, and eye protection. AWE's approach to the storage of the intermodal containers was found to be acceptable by the audit team.

The cyanide is protected against unauthorized access. The storage area is fenced and manned at all times. Keys are removed from forklifts with the capacity to move the cyanide containers when operators are not on site. Additional security measures were also observed. The overall security of the facility was deemed acceptable by the audit team.

Sodium cyanide is stored separately from other stored materials. There are no incompatible materials stored near the cyanide. The intermodal containers are not opened and are stored outside within the fenced, locked storage yard. There is no opportunity for the build-up of cyanide gas. The solid cyanide briquettes are sealed within multiple layers of packaging, which are then sealed within intermodal containers. Additional spill containment was not deemed to be necessary.

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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.*

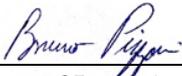
The operation is in full compliance with
in substantial compliance with Transport Practice 3.1
not in compliance with

Summarize the basis for this Finding:

AWE maintains several emergency planning documents that apply to all AWE locations. The primary document is the *AWE Spill Contingency Plan* that provides information to be used by personnel on the scene of any emergency, including incidents involving cyanide. This emergency plan is updated every six months and distributed to all locations and drivers in hard copy. A copy of the plan is maintained in the trucks at all times. The plan was reviewed during the audit and was found to be appropriate for the selected transportation routes and the interim storage facility. The *AWE Contingency Plan* is another document that is maintained and is appropriate for all materials transported by AWE. Additionally, each driver carries the *North American Emergency Response Guide (ERG)* and the Safety Data Sheets (SDSs) for solid sodium cyanide.

The emergency plans cover general response scenarios for situations that would involve trucking incidents, roll-over incidents, and/or storage yard incidents. The plans address differences in road infrastructure, such as public main roads versus narrow mine roads. The product is stored and transported in standard design 20 ft. intermodal containers mounted on flatbed trailers, triple-axle chasses, or spread-axle chasses. The plans adequately address the emergency planning needs associated with an incident from the use of this type of equipment. The contingency plan gives contact information for external response organizations at each location and details the roles of others outside of AWE.

AWE has robust emergency response capabilities and in Alaska AWE may be the only responder that is deployed to manage a trucking incident. The AWE Health, Safety, Security, and Environmental Manager is also the Chief of the Fairbanks North Star Borough Hazmat Team, the entity that would respond to any incident. In Alaska, AWE personnel are very involved with the Local Emergency Planning Committee (LEPC) and the roles and responsibilities have been clarified during those meetings. AWE has also been in contact with Tacoma-based Fire Department to discuss emergency planning for the Tacoma area.

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Transport Practice 3.3: *Develop procedures for internal and external emergency notification and reporting.*

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

Summarize the basis for this Finding:

Extensive procedures and current contact information are contained in the AWE *Spill Contingency Plan*. Contact information is included for internal personnel, external responders, customers, governmental agencies, hospitals at each location, media personnel, and other relevant personnel and organizations. The telephone numbers are updated as necessary and are checked at least every six months, according to procedure. This was confirmed through interview and observation.

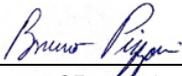
Transport Practice 3.4: *Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.*

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

Summarize the basis for this Finding:

AWE's environmental consultant, based in Anchorage, Alaska has been contracted to manage any remediation project as required by regulatory agencies in consultation with the shipper, as necessary. Driver responsibilities are defined for incidents and do not permit remediation activity.

Cyanide treatment chemicals are not readily available for drivers and AWE does not permit drivers to treat a cyanide release. The route plans established for each cyanide route do have a statement that prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water. The driver responsibility is limited to containment and they are trained regularly to these procedures. Driver awareness of this issue and the ban on the use of chemicals to treat cyanide in surface water was confirmed through interview.

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