



**ICMI International Cyanide Management Code
Consigner Supply Chain
Summary Audit Report**

**Cyanco Certification Audit –
Western U.S. / Canada Rail, Barge & Truck Supply
Chain**

**Submitted to:
The International Cyanide Management Institute
1400 I Street, NW – Suite 550
Washington, DC 20005
USA
*2019 Audit Cycle***



www.cnauditing.com

Cyanco Western U.S. / Canada Rail, Barge & Truck Supply Chain Summary

Consignor Name & Contact Information

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| Consignor name and contact information: | <p>Cyanco ICMC Compliance and Supply Chain Management Max Jones Director – EHSS & ICMC 2245 Texas Drive, Suite 500 Sugar Land, Texas 77479 T: (832) 590-3641 E: max.jones@cyanco.com W: www.cyanco.com</p> |
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Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain Description - Scope of Certification

In the United States, Cyanco maintains its corporate office in Sugar Land, Texas, an office in Reno, Nevada, a solid sodium cyanide plant in Alvin, Texas (outside of Houston), a sodium cyanide production facility near Winnemucca, Nevada, and a transloading facility in Cheyenne, Wyoming. In Canada, Cyanco operates a terminal in Cadillac, Quebec - Canada, and maintains a business office outside of Montreal, Quebec. Cyanco also maintains a certified supply chain in Mexico.

This audit was used to evaluate Cyanco’s Western U.S./Canada Rail, Barge & Truck Supply Chain. It includes the transportation of solid sodium cyanide from the Cyanco production plants in Alvin, Texas and more recently from Winnemucca, Nevada to gold mines located in the Western U.S. (including Alaska) and Canada. Several parts of the supply chain are common between this supply chain and the Cyanco North America Rail & Truck Supply Chain and the Cyanco Global Ocean Supply Chain.

One supply chain change that occurred in 2019 was the start of cyanide deliveries to a mine near Whitehorse, Yukon (Canada). This change introduced a new trucking company (Canadian Lynden Transport), an interim storage location (Whitehorse Terminal), and a new port (Skagway Port) into the supply chain. All of these new supply chain components were physically audited during this re-certification process.

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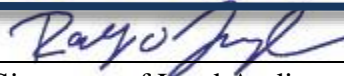
In addition to the abovementioned audits, Remote Due Diligence Assessments of the following supply chain components were also included in the assessment.:

- SEA-PAC port-related operations
- Harbor Island Port (Seattle Port) operations
- Alaska Rail Operations
- Alaska Marine Line Barge Operations

The table below is used to describe the transportation companies included in this supply chain and the process used to confirm ICMI Code compliance.

| Transportation Segment Start Point | Transportation Segment End Point | Supply Chain / Company | ICMI Compliance Determination |
|---|---|--|--|
| Cyanco - Chocolate Bayou Plant of Ascend Performance Materials at Alvin/Texas | Union Pacific Railhead - Houston, Texas | Cyanco North America Rail & Truck Supply Chain | ICMI Website Posted Certification October 10, 2018 |
| UP Railhead - Houston, Texas | UP Railhead - Seattle, Washington | Cyanco North America Rail & Truck Supply Chain | ICMI Website Posted Certification October 10, 2018; Remote Due Diligence Assessment during this audit process |
| Cyanco – Winnemucca Plant Winnemucca, NV | UP Railhead - Seattle, Washington | Cyanco North America Rail & Truck Supply Chain | ICMI Website Posted Certification October 10, 2018 |
| UP Railhead - Seattle, Washington | SEA-PAC Transport Services, LLC Harbor Island / Port of Seattle, Washington | Alaska West Express (AWE) - | ICMI Website Posted Certification – January 9, 2020 - Remote- Due Diligence Assessment during this audit process of SEA-PAC and the Harbor Island / Seattle Port |
| SEA-PAC Transport Services, LLC Harbor Island / Port of Seattle, Washington | Port of Whittier, Alaska | Alaska Marine Lines (AML) | Remote Due Diligence Assessment during this audit process |
| SEA-PAC Transport Services, LLC Harbor Island / Port of Seattle, Washington | Port of Skagway, Alaska | Alaska Marine Lines (AML) | Remote Due Diligence Assessment during this audit process |

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| Transportation Segment Start Point | Transportation Segment End Point | Supply Chain / Company | ICMI Compliance Determination |
|--|--|-------------------------------|---|
| Port of Whittier, Alaska | Alaska West Express (AWE) Interim Storage yard Fairbanks, Alaska | Alaska Railroad | Remote Due Diligence Assessment during this audit process |
| Port of Skagway, Alaska | Whitehorse, Yukon (Canada) Interim Storage | Canadian Lynden Transport | On-Site Audit during this assessment |
| AWE Interim Storage yard Fairbanks, Alaska | Gold Mines | Alaska West Express (AWE) | ICMI Website Posted Certification – January 9, 2020 |

Audit Information – Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain

This ICMC certification audit of the Cyanco Western U.S./Canada Supply Chain was performed by an independent 3rd-party auditor who is pre-approved by the ICMI as a Lead Auditor for all types of Code audits and as a Technical Expert for Code audits of cyanide transportation and production operations. The certification audit and Due Diligence reviews were conducted between September and November 2019, and included on-site audits and remote and on-site due diligence assessments of supply chain operations at the Port in Seattle (Harbor Island), Alaska Rail, Alaska Marine Line (AML), UP rail head, SEA-PAC, the Port of Whittier in Alaska, and the Port of Skagway in Alaska.

Cyanco's transportation management practices were evaluated using the ICMI International Cyanide Management Code requirements. The assessment was conducted through discussions and interviews with multiple individuals in cross-functional roles throughout the supply chain.

The results of this certification audit and the related due diligence assessments demonstrate that the Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in FULL COMPLIANCE with ICMI transportation requirements.

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Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain

Auditor's Finding

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is:

- in full compliance
- in substantial compliance
- not in compliance

with the ICMC requirements of the International Cyanide Management Code.

The operations included in this audit have not experienced any significant cyanide incidents, releases, or exposures since the supply chain was originally pre-operationally certified in 2013. The operations were found to have been in compliance with the ICMI Cyanide Code since the previous ICMC audit in 2016.

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| Audit Company: | CN Auditing Group www.cnauditing.com |
| Lead / Technical Auditor: | Ralf Jurczyk E-mail: rj@cnauditing.com |
| Date(s) of Audit and Due Diligence Assessments | September – November 21, 2019 |

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Certification 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 Certification Auditors.

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

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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
 in substantial compliance with Transport Practice 1.1
 not in compliance with

Summarize the basis for this Finding:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 1.1 that requires the selection of transport routes in a manner that minimizes the potential for accidents and releases.

The Cyanco International Cyanide Management Code Compliance Manual (ICMC Manual) defines that all ICMC criteria must be considered during the planning of shipping routes. The ICMC Manual states that appropriate risk considerations are to be made for each type of mode used.

When Cyanco initially qualifies a new customer for sodium cyanide, they follow a standard practice to determine that the cyanide can be safely delivered to the customer mine site. The risk evaluations associated with this supply chain focus primarily on the selection of transportation partners who can fulfill ICMI Code criteria and ensure that safety and security standards are acceptable. Infrastructure around the ports is also evaluated for alignment with ICMC criteria.

The Cyanco ICMC Manual states appropriate risk considerations are to be made for each type of mode used. In preparation for the start of shipments using the Western U.S./Canada Supply Chain, risk mitigation measures that were taken when the supply chain first started being used included the development and implementation of an improved international shipment tracking process, the revision of the Cyanco Global Emergency Response Procedures, and the coordination of additional global emergency response resources.

The current route of transporting sodium cyanide to Alaska was originally evaluated and chosen in 2012. The recent Western Canadian route and the new supply chain components were evaluated in 2019. Although a remote and very extensive routing over highways could be used to reach customers in Alaska and Western Canada, the more direct and safer routing that was chosen to transport cyanide to mine customers using this supply chain was 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 barge (AML), Alaska Railroad (ARCC) to

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Whittier Port, AML to Skagway Port, and ARCC rail to Fairbanks (to interim storage), Canada Lynden Transport (CLT) to Whitehorse (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. The most recent certification of this operation was announced by ICMI in January 2020. CLT was audited during this recertification assessment and was also found to be in compliance with Transport Practice 1.1 requirements.

Cyanco and its transportation partners seek input from communities, other stakeholders and applicable governmental agencies as necessary in the selection of routes and development of risk management measures. Records were available to demonstrate that Cyanco personnel met with transportation partners and local stakeholders to seek input from communities, non-governmental organizations, and governmental authorities when the new components of the supply chain were implemented in 2019.

Cyanco uses formal policies, procedures, and contractual terms and conditions with transportation partners to ensure that cyanide is appropriately handled and transported globally.

Alaska West Express was found to be in full compliance with this transport practice during the most recent ICMC re-certification audit in 2019. Alaska Marine Lines (AML) also was found to be in compliance with all ICMC Transport Practice 1.1 requirements. Routes between Harbor Island (Seattle) and the Port of Whittier are evaluated for risk and the shortest, calmest routes are chosen. The risk of having poor weather conditions are the primary risk that needs to be managed very carefully. Extensive GPS-tracking, satellite monitoring of weather conditions, and planning take place to ensure that the barge can safely arrive and dock in the Port of Whittier. The barge crew (powered vessel that pushes / pulls the barge) is empowered to re-route the shipments and/or stop the shipment if weather conditions are considered to be too dangerous. This information was confirmed during Due Diligence Assessments.

According to the United States Code of Federal Regulations (CFR) Part 172.820, each railroad operating in the United States, including companies involved in this supply chain (Alaska Railroad and the UP) 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.

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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 in substantial compliance with not in compliance with Transport Practice 1.2

Summarize the basis for this Finding:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 1.2. Cyanco uses only trained, qualified and licensed (where required) operators and companies to transport its products. Cyanco performs due diligence evaluations to ensure that its Western U.S. carriers and ports operate according to recognized EHS standards and are experienced in the handling of hazardous goods. These requirements are stated in the ICMC Manual.

Cyanco is committed to using formal policies, procedures, and contractual terms and conditions with transportation partners to ensure that cyanide is appropriately handled and transported globally.

Confirmation was made that the railroads have formal environmental, health, and safety (EHS) programs in place that include internal and/or external auditing programs. The UP railroad has continued to be certified Responsible Care® Partner companies for more than ten years. As such, their training programs and employee qualification processes have been audited by a 3rd – 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).

ARRC and AML reported that employees are trained annually in the transportation of hazardous materials. ARRC reported that it regularly trains its employees in the safe handling of hazardous materials and conducts regular emergency response drills – including drills involving NaCN.

Confirmation was made during the initial due diligence review that operations of ARCC, AML barge, SEA-PAC, and both ports used in this Supply Chain (Harbor Island – Seattle and Whittier) have personnel who are properly trained to handle hazardous materials.

The Whitehorse Terminal is in Canada and operates according to Canadian laws. Each driver is required to have a commercial driver license (CDL) – Class 1 (semi-trailer trucks). Drivers must also have a Transportation of Dangerous Goods (TDG) training certificate. Driver credentials were confirmed during the audit.

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CLT trains their drivers in a manner that minimizes the potential for cyanide releases and exposures. Records were available to show that drivers were trained in 2019 on proper handling techniques, cyanide safety, and emergency response.

CLT does not subcontract any part of its operations.

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 not in compliance with Transport Practice 1.3

Summarize the basis for this Finding:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 1.3. Cyanco has committed to using only supply chain partners with equipment designed and maintained to operate within the loads it will be handling. The ICMC Manual states that Cyanco reviews all transportation partners to ensure that ICMC transportation requirements are fulfilled.

Cyanco uses only authorized packaging for its solid sodium cyanide shipments. According to interviews with Cyanco personnel, the shipments of bulk and semi-bulk packages are standard weights with standard blocking and bracing configurations used. Shipping paperwork indicates the number of packages shipped and the weight of the cargo. This information is to be used by transportation partners to ensure that overloading does not occur.

Sea containers are loaded with a standard amount of cyanide, and standard configurations are used on the rail cars that are loaded onto the barge. Extensive inspections are performed each time the sea containers or the rail cars are moved. Multiple lashing, blocking, and bracing techniques are used on the barge to ensure that there is no movement of the cargo or the rail car after it has been loaded onto the barge. Shipping paperwork was reviewed for the recertification period to confirm that equipment is not being overloaded. Confirmation was also made that CLT operates its equipment within allowable specifications and tolerances.

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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:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 1.4. Cyanco ensures that cyanide is transported in a manner that maintains the integrity of its packaging. Cyanide shipments are packaged in accordance with Part 4 of the International Maritime Organization Dangerous Goods (IMO DG) Code and according to the packaging instructions and packaging provisions indicated on the DG List. Cyanide packages are marked as required by Section 5.2.1 of the IMO DG Code and according to the labeling requirements indicated on the DG List.

Cyanco uses placards and appropriate signage to identify the shipment as cyanide, as required by local regulations or international standards. Section 3.1 of the ICMC Manual addresses this requirement.

Cyanco has implemented a safety program for cyanide transport that includes all ICMC required considerations. The Cyanco ICMC Manual states that Cyanco confirms that its transportation partners are in compliance with all ICMC requirements.

Limitations on worker hours in the U.S. rail industry are strictly regulated and enforced by the U.S. Government. Cyanco contracts require transportation partners to adhere to all applicable regulations. There is therefore no need for Cyanco to impose additional worker hour limitations in its contractual agreements. Detailed procedures, blocking and bracing diagrams, and checklists are used by Cyanco 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. Cyanco also has these requirements as part of its contractual standard terms and conditions.

All safety programs were found to be compliant with ICMC requirements. Regular audits are also conducted of the barge and port operations by the U.S. Coast Guard.

CLT does not open the sea containers that are transported. The sea containers arrive sealed and CLT places an additional lock on the container until delivery. CLT uses formal procedures to run its operations, including procedures that call for the proper load securement and pre-trip inspections prior to departure.

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CLT uses placards and other signage to identify the shipment as cyanide, as required by local regulations and international standards. This practice was confirmed during the on-site audit. CLT drivers fill out a pre-trip inspection checklist prior to every departure and these are kept on file for 90 days.

CLT uses a computer program called “TNT” to manage its preventive maintenance requirements. Specific frequencies are defined for inspections, oil changes, tire rotation, etc. Records were available to show that the equipment is being appropriately maintained.

Limitations on worker hours in the U.S. rail industry are strictly regulated and enforced by the U.S. Government. Truck drivers in Canada are similarly required to adhere to limits on hours worked. In Yukon, drivers are limited to working 15 hours per day and then resting for 10 hours. Electronic logs are used to ensure compliance.

Interviews at CLT confirmed that proper blocking and bracing methods, including the use of corner locks on the sea containers loaded onto chassis, are implemented. Interviews during the CLT audit confirmed that there is a Fatigue Management Program in place. Drivers are authorized to suspend a shipment if weather or other conditions are considered to be unsafe. Dispatchers have this same authority to stop a shipment if they become aware of an unsafe situation. CLT maintains a Health and Safety Program, detailed in a document that was reviewed during the audit. Pre-employment and random drug testing is done, as required by law.

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:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 1.5. Cyanco transports shipments of cyanide by sea in compliance with the Dangerous Goods Code of the International Maritime Organization. Cyanco ships its sodium cyanide using transportation partners that have demonstrated safety programs and safe performance.

Due diligence reviews of the Port of Seattle (Harbor Island), the Port of Whittier, Port of Skagway, Alaska Marine Lines (AML) barge operator, SEA-PAC, and Alaska Railroad demonstrated that all ICMC 1.5 Transport Practices have been fulfilled. Intermodal containers have appropriate UN placards and marine pollutant placards on all four sides of each container. Extensive blocking and bracing equipment is used to ensure that the cargo and the railcars remain secure at all times and to ensure that the railcars do not move during ocean transport.

1.5.1. Are shipments of cyanide by sea transported in compliance with the Dangerous Goods Code of the International Maritime Organization?

Cyanco transports shipments of cyanide by sea in compliance with the Dangerous Goods Code of the International Maritime Organization. Cyanco ships its sodium cyanide using transportation partners that have demonstrated safety programs and safe performance.

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) The Cyanco packaging specifications are conformant to the packaging requirements of the IMDG Code.
- b) Packages and shipping containers are appropriately marked and compliant with Chapter 5.2 of the IMDG Code requirements.
- c) Packages and shipping containers are appropriately marked and compliant with Chapter 5.2 of the IMDG Code requirements.

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- d) Loaded intermodal and ISO tank shipping containers are marked and placarded in accordance with the IMDG Code.
- e) Shipping documents were reviewed for a sample of cyanide shipments from the recertification period. Information required by the IMDG Code is required as standard practice on Cyanco shipping paperwork.
- f) The container packing certificates were reviewed. All information was found to be conformant to IMDG Code requirements.
- g) AML uses detailed stowage plans for the placement and safe transportation of all hazardous materials, including sodium cyanide shipments.
- h) AML has cyanide emergency response information available on board each vessel, as required by Section 5.4.3.2 of the IMDG Code.
- i) AML complies with applicable stowage and separation requirements of Part 7 of the IMDG Code. This includes the requirement that sodium cyanide, if removed from its rail cars, be stored separately from acids, strong oxidizers, and explosives. In practice, the cyanide remains in sea containers mounted to rail cars, which are then lashed to the deck of the barge on designated rail tracks.

Cyanco does not ship cyanide by air.

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:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 1.6. Cyanco has implemented systems and procedures to track the progress of cyanide shipments. The Cyanco Logistics Coordinator has designated responsibilities for tracking shipments on a daily basis. Cyanco uses bills of lading and shipping papers indicating the number of packages and amount of material to confirm that the chain of custody for the cyanide is recorded and that ICMC requirements are fulfilled. Records were reviewed for the recertification period and were found to be acceptable.

The barge operator, AML, was also assessed during the due diligence assessment for its tracking capabilities. State-of-the-art GPS tracking systems are used to transmit real-time barge location data.

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Alaska Railroad coordinates and manages the transportation segment from the loading of the intermodal containers onto its railcars using its partner, SEA-PAC through the delivery of the cyanide to the Alaska West Express Fairbanks Terminal. Chain of custody and tracking practices were reviewed and were found to be acceptable during the due diligence assessment.

CLT uses satellite phones, radios on mine roads, and cell phones, where service is available. Drivers have the means to communicate at all times. At CLT, the Dispatcher reported that the satellite phone functionality is tested on a monthly basis. Satellite phones are used during all cyanide deliveries. Communication equipment is also confirmed to be functional during the pre-trip inspections. CLT has satellite phones in the trucks during cyanide deliveries. There are no blackout areas for these types of phones. CLT tracks the progress of shipments and maintains chain of custody documentation to prevent the loss of cyanide during shipment. Containers are not opened; they remain sealed and locked. Records showing appropriate levels of custody control were available and found to be acceptable.

All shipments are accompanied by the appropriate Safety Data Sheet (SDS) which is available to CLT drivers and other members of the supply chain during transport. This practice was discussed during the audit and is referenced in the CLT Emergency Response Plan (ERP).

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 not in compliance with Transport Practice 2.1

Summarize the basis for this Finding:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 2.1. Interim storage activities in this supply chain, as defined by ICMI, are limited to those that take place at ports, AWE in Fairbanks, and CLT in Whitehorse, Yukon. Harbor Island, Whittier Port, and Skagway Port facilities have all been found to have sufficient security and infrastructure to assure the proper management of the cyanide shipments. The sea containers are not removed opened and are not stored at the port facilities, they are only staged for transport onto the next barge or for transport with the next Alaska Railroad train from the Port of Whittier or for transport via truck to Whitehorse from the Port of Skagway.

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Interim storage suitability and compliance of AWE operations were confirmed during the most recent ICMC recertification audit that was posted on the ICMI website in January 2020.

CLT interim storage operations were confirmed to be compliant. Signs are used in the storage yard when cyanide is present. Warning signs prohibit smoking, open flames, eating, and drinking. PPE requirements are also posted. The CLT interim storage yard is fenced and secured at all times. There is no unauthorized access to the cyanide. The sea containers are also sealed and locked at all times. Sea containers are not opened. No incompatible materials are stored in the CLT yard.

The sea containers held at CLT are sealed and locked at all times. Sea containers are not opened, and the sodium cyanide is shipped/stored in multiple layers of packaging. The potential for contact of sodium cyanide with water is thereby minimized. Throughout this supply chain, including at CLT, intermodal containers remain closed, sealed, and stored outside. There is no opportunity for cyanide gas build up. Daily inspections are done to check for the highly unlikely event of a container breach. This was found to be acceptable by the auditor.

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 not in compliance with Transport Practice 3.1

Summarize the basis for this Finding:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 3.1. Cyanco has developed and implemented an Emergency Response Plan that is appropriate for its Western U.S./Canada supply chain. Details regarding the response procedures to be used in each region of the world, mode of transportation, and type of incident are included in the plan.

Emergency response plans consider the physical and chemical form of the cyanide and the method of transport. The only form of cyanide to be shipped on this supply chain is solid. Emergency response procedures address actions to be taken in response to a solid cyanide spill.

Each of the emergency plans in this supply chain outline the roles and responsibilities of internal and external responders.

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CLT emergency response procedures were reviewed and were found to be suitable for the interim storage operation and the transportation routes traveled. The CLT plan considers all aspects of the route from the Skagway port to the Whitehorse Terminal and on to the mine, including the mine road. The CLT plans were found to be appropriate for the transport of sea containers loaded onto chassis, the only method of transport for CLT. The CLT plans describe the response actions for the anticipated emergency situations. The plans were reviewed and found to be appropriate by the auditor.

All of the plans and emergency response information for the supply chain, including CLT, outline the roles and responsibilities of internal and external responders. One responder that is outside of CLT is the parent company, Lynden. In the CLT emergency procedures the role of Lynden is very detailed and includes a description of the Emergency Response Coordinator and the Initial Response Team (IRT), both provided by Lynden Transport, Inc. The IRT is tasked with a number of responsibilities including the mitigation of impact and the recovery of spilled materials.

CLT is responsible for notifying Cyanco in the event of an emergency. The Cyanco Cyanide Hotline telephone number is in the CLT emergency procedures. The driver role, as detailed in the CLT emergency procedures, is to call 911 and provide local responders important information about the cargo including the SDS.

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

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

Summarize the basis for this Finding:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 3.2. Cyanco provides emergency response training to ensure that its transportation partners are also providing emergency response training to their personnel.

The roles and responsibilities of relevant internal and external personnel are clearly described in the Cyanco emergency response plans.

The rail transportation partner included in the scope of this supply chain has designated 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.

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The barge operator (AML) and U.S. Ports and emergency plans and resources are governed by the U.S. Coast Guard and U.S. Federal Department of Homeland Security requirements. Records were also available to show that emergency response resources for Alaska Rail, Alaska Marine, SEA-PAC, and the Harbor Island, Whittier, and Skagway ports were reviewed and were found to be acceptable during the due diligence assessments.

Cyanco offers immediate technical assistance for cyanide spills and offers emergency resources through its contracted emergency response partners for spills that might occur. Cyanco contracts with CHEMTREC to ensure that appropriate notifications and emergency response is initiated if there is an incident.

Cyanco is committed to using formal policies, procedures, and contracts with safety, health, environmental, and security terms and conditions to ensure that cyanide is appropriately handled and transported by its transportation partners.

Cyanco provides emergency response training of Cyanco personnel and to ensures that its transportation partners are also providing emergency response training to their personnel.

CLT participated in the May 21, 2019 outreach / emergency planning meeting that was organized by Cyanco. In attendance at the meeting were representatives from Cyanco, all CLT drivers, the local fire department, emergency responders, DOT, National Response Team, and airport personnel. Procedures were discussed and agreed upon for emergency response. Cyanide safety information, including Safety Data Sheet and cyanide exposure response information was provided to all in attendance. The records from this meeting were available for review and were accepted by the auditor. The roles and responsibilities of relevant internal and external personnel are clearly described in the Cyanco and CLT emergency response plans.

Although it is highly unlikely that Cyanco would be called in to respond to an emergency at sea, it is conceivable that Cyanco may need to respond to an emergency at a port. Cyanco maintains Technical Advisory Team (TAT) Rapid Response Kits with an emergency response contractor. CLT maintains spill kits on the trucks.

Cyanco ensures through contractual terms and periodic review that the emergency response equipment maintained by its emergency response provider is available at all times. CLT checks the emergency/spill kits as part of the pre-trip inspection and on a formal basis at least annually. The kits are also part of the commercial vehicle inspection that is done every six months.

Cyanco provides each transportation partner with Cyanide Safety training, which does include emergency response information. CLT checks the emergency/spill kits as part of the pre-trip inspection and on a formal basis at least annually. The kits are also part of the commercial vehicle inspection that is done every six months.

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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 not in compliance with Transport Practice 3.3

Summarize the basis for this Finding:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 3.3. Cyanco has developed procedures and maintains current contact information for notifying regulatory agencies, outside response providers, medical facilities and potentially affected communities of an emergency.

The Cyanco ICMC Manual requires that internal and external emergency notification and reporting procedures are kept current. Contact numbers and reporting information is reviewed at least annually, or as needed. Maintaining current notification information is a contractual requirement for all parts of the supply chain.

CLT notification procedures call for the notification of the shipper, mine, and emergency responders in the event of an emergency. Notification information in the CLT documentation was found to be current and was last updated in 2019.

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 not in compliance with Transport Practice 3.4

Summarize the basis for this Finding:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 3.4. Specific details regarding the remediation, neutralization, decontamination, and disposal of clean-up debris are contained within the Cyanco emergency response procedures. Extensive descriptions of necessary action steps depending on the incident scenario are outlined in the documents.

Cyanco personnel have a high level of awareness that the use of treatment chemicals is prohibited if cyanide spills into surface waters. Cyanco emergency response procedures specifically prohibit the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide for

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treating a cyanide spill into surface water. Section 3.4 of the ICMC Manual specifically bans the use of treatment chemicals for spills into surface water. Supply chain partners reported during the due diligence assessment that they would consult with Cyanco and its emergency response service provider in the event of a cyanide spill. CLT confirmed this information and stated that they would contact Cyanco in the unlikely event that there is a need to remediate cyanide. In addition to other emergency plans in this supply chain, the CLT emergency plans also prohibit the use of these chemicals for the treatment of cyanide released into surface water.

Transport Practice 3.5: Periodically evaluate response procedures and capabilities and revise them as needed.

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

Summarize the basis for this Finding:

The Cyanco Western U.S./Canada Rail, Barge & Truck Supply Chain is in full compliance with Transport Practice 3.5. Cyanco periodically reviews its emergency response plans and evaluates the plan’s adequacy. The ICMC Manual requires that tabletop simulations be run annually and that emergency response drills are run every 3-5 years. An emergency response drill is planned to occur at least once in each region of the world during the first five years after shipping commences. This is in addition to the annual tabletop simulations that are planned.

Cyanco reported that it reviews and revises its emergency response plans as necessary after responding to an actual emergency and after emergency response drills.

The CLT Emergency Response Plan (ERP) states at the end of Section 1 of the Plan that the Director of HSE will review the ERP at least annually and any necessary updates will be made at that time. The ERP was revised within the past year and the information was found to be current and appropriate.

Records were available to demonstrate that Cyanco has held emergency response drills with its transportation partners and client mines during the recertification period. Cyanco reported that the need for changes to emergency plans is evaluated following drills and actual deployment of the plan.

Cyanco held tabletop emergency drill discussions with CLT in 2019. The CLT ERP calls for an annual field exercise to be held at their facility.

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