
**Alaska West Express, Inc.
International Cyanide Management Code
Summary Audit Report**

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

2012 Audit Cycle



www.mss-team.com

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 Contact Information:	Fairbanks Terminal www.awe.lynden.com 1095 Sanduri St Fairbanks AK 99701 (800) 478-4355	Al Guettinger Fairbanks Service Center Manager alguet@awe.lynden.com (907) 328-4317 office (907) 451-6011 fax
	Tacoma Terminal www.awe.lynden.com 2902 Taylor Way Tacoma WA 98421 (800) 873-2911	Jim Earl Tacoma Service Center Manager jearl@awe.lynden.com (253) 830-6114 office (253) 272-3424 fax

Company Background Information

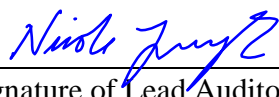
Alaska West Express (AWE) is part of the Lynden family of companies. AWE provides truck transportation throughout the United States and Canada, and specializes in providing transportation to and from destinations in Alaska. AWE transports liquid- and dry-bulk products, petroleum, and hazardous and non-hazardous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

AWE has been in operation for over 30 years and has been safely transporting cyanide for over 10 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

AWE Fairbanks & Tacoma Terminals

Name of Operation



Signature of Lead Auditor

October 7, 2012

Date

packed with intermediate bulk containers (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 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.

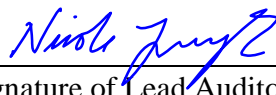
The Tacoma Terminal provides dray services to and from ports in Washington (Tacoma, Seattle, and Everett) and rail yards in Washington. AWE also transports cargo directly to end-customers, including mining operations. There is no storage of any cargo at the Tacoma Terminal. The Health, Safety, Security, 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.

Personnel interviewed during the May 24-25 and August 10, 2012 Alaska West Express Certification Audit

Transport Practice Discussed →	1.1 Route selection Risk Assessment	1.2 Driver / Operator Training & Qualifications	1.3 Equipment Suitability	1.4 Safety Program & Preventive Maintenance	1.5 Ocean Transport N/A	1.6 Tracking of shipments	2.1 Interim Storage	3.1-3.5 Emergency Response
Audit Participants								
HSSE Manager - All AWE Terminals	X	X	X	X	-	X	X	X
Dispatcher - Fairbanks	X				-	X		X
HSSE Specialist - Fairbanks				X	-			
Quality Control - Fairbanks				X	-			
Maintenance Manager - All AWE Terminals				X	-			
Service Center Manager - Fairbanks		X	X	X	-			
HR Specialist - All AWE Terminals								
Drivers in Fairbanks and Tacoma Terminals	X	X	X	X	-	X		X
General Manager Tacoma Terminal	X	X	X	X	-	X		X
Material Handler - Fairbanks					-		X	X
Dispatcher - Tacoma Terminal	X				-	X		X

AWE Fairbanks & Tacoma Terminals

Name of Operation



Signature of Lead Auditor

October 7, 2012

Date

Audit Implementation & Conclusions

The audit was performed by an independent third-party auditor who was pre-approved by the ICMI as a Lead Auditor for all types of 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 ICMI International Cyanide Management Code (ICMC) requirements, as documented in the ICMI Cyanide Transportation Verification Protocol (2009). 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. AWE Fairbanks and Tacoma Terminal operations were found to be in **FULL COMPLIANCE** with ICMC requirements.

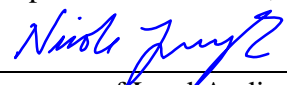
Auditor's Finding

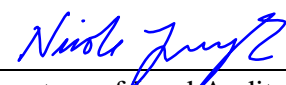
Alaska West Express cyanide transportation operations based in the terminals in Fairbanks, Alaska and Tacoma, Washington are in FULL COMPLIANCE with the International Cyanide Management Code.

Audit Company:	MSS Code Certification Service www.mss-team.com
Lead / Technical Auditor:	Nicole Jurczyk E-mail: CodeAudits@mss-team.com
Date(s) of Audit:	May 24-25 and August 10, 2012

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

AWE - Fairbanks & Tacoma Terminals		October 7, 2012
Name of Operation	Signature of Lead Auditor	Date

AWE Fairbanks & Tacoma Terminals		October 7, 2012
Name of Operation	Signature of Lead Auditor	Date

Alaska West Express Certification Audit Results

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:

Alaska West Express Inc. (AWE) maintains a documented procedure for the evaluation of routes used to transport cyanide. The procedure is entitled *Procedure for Establishing a New Route for Sodium Cyanide*. The procedure applies to the cyanide route planning at both the Fairbanks and Tacoma Terminals. Cyanide deliveries in Alaska are made from the AWE interim storage yard to area gold mines. The Tacoma Terminal provides dray services between Seattle-area rail heads and local ports and general transportation services to a wide variety of customers, including mine operations in Washington State.

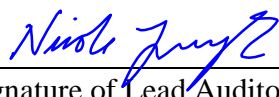
The procedure calls for the evaluation of the route for all ICMC-required considerations, the driving of the route, and the development of special route-specific delivery instructions, as necessary. The procedure also calls for a review with the driver who tested the route and a re-review of the route at least every three years, or as necessary. The procedure and the resulting risk evaluation records for both terminals were evaluated during the audit and were found to be acceptable.

According to interviews and a review of route evaluation records, all cyanide delivery routes for both terminals have been evaluated to determine if comparable routes would be available that would reduce the risks associated with proximity to high population densities, poor road infrastructure (sharp turns), pitch & grade, proximity to water bodies, and prevalence and likelihood of poor weather and resulting poor driving conditions. Routing considerations were found to be consistent with those required by the International Cyanide Management Code (ICMC). Both Terminals reported that they have informed and engaged local communities and emergency responders to identify stakeholder concerns and community route planning input.

Specific safety concerns for the Alaskan routes traveled are: steep grades, poor driving conditions in winter, and poor cell phone coverage on one of the mine roads. The routing procedure details the additional safety measures that are necessary for the specific routes. There

AWE Fairbanks & Tacoma Terminals

Name of Operation



Signature of Lead Auditor

October 7, 2012

Date

are no special safety concerns related to routes traveled in and around Tacoma, Washington. AWE does not subcontract any part of its operations.

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 Transport Practice 1.2
 not in compliance with

Summarize the basis for this Finding:

The AWE *Industrial Health and Safety Manual* details that all drivers must have commercial driver's licenses with hazmat endorsements. Records and licenses were checked during the audit at both terminals and confirmation was made that all drivers have the necessary credentials and qualifications. The HR policies, procedures, and computer tracking program used to maintain training and driving credential records are centralized at AWE. A recall system is used to ensure that drivers who are due for training or license renewal are notified of the need for action. Records and qualification documentation were well organized and readily retrievable in a scanned-in format via a centralized computer network system used by both terminals.

Employees attend an 8-hour hazardous materials transportation class, 8-hour health, safety and environmental class and product specific training. All drivers/handlers of containers attend a Cyanide training class at least every 3 years. Training records were reviewed for all personnel who may come into contact with cyanide intermodal containers at each terminal and were found to be complete.

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

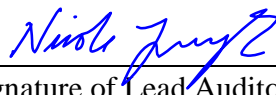
The operation is in full compliance with
 in substantial compliance with Transport Practice 1.3
 not in compliance with

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

AWE Fairbanks & Tacoma Terminals

Name of Operation



Signature of Lead Auditor

October 7, 2012

Date

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

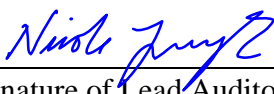
Summarize the basis for this Finding:

AWE maintains a well-documented and detailed Safety Program. Driver interviews, observed demonstrations of pre-trip inspections being conducted, and a review of records were used to confirm that ICMC requirements are being fulfilled at each Terminal. The *AWE Industrial Health and Safety Manual* addresses all ICMC requirements. 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).

Cyanide packages are loaded by the shipper. AWE drivers confirm that the load has been properly secured after the cargo has been lifted onto the trailer or chassis. AWE maintains a

AWE Fairbanks & Tacoma Terminals		October 7, 2012
Name of Operation	Signature of Lead Auditor	Date

Page 7 of 13

documented procedure for cargo load securement: *Industrial Health and Safety procedure number 2.14*. A drug abuse prevention program has been implemented and drivers are randomly selected to undergo sampling. Records were available for both locations to demonstrate that the all ICMC requirements had been fulfilled.

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.

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

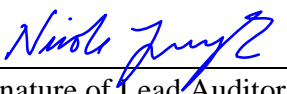
The operation is in full compliance with
 in substantial compliance with Transport Practice 1.6
 not in compliance with

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, Drivers at both locations reported that they confirm the proper functioning of their communications equipment as part of the pre-trip inspection process.

AWE Fairbanks & Tacoma Terminals
Name of Operation


Signature of Lead Auditor
Page 8 of 13

October 7, 2012
Date

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. Interviews with Drivers and Dispatchers at both locations confirmed that Dispatch tracks each load until it is delivered.

Intermodal containers are kept sealed and locked. AWE maintains inventory controls on all 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. The amount of cyanide is noted on the shipping paperwork. Material Safety Data Sheets were available at the Terminal and are sent with the drivers. This practice was confirmed through interviews and observation.

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 auditor.

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.

Sodium cyanide is stored separate from any materials in a secured location and is always kept in the intermodal shipping containers. There are no incompatible materials stored in proximity to the cyanide. The intermodal containers are not opened and are stored outside. 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.

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.*

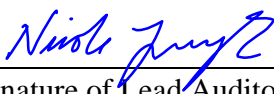
The operation is in full compliance with
 in substantial compliance with Transport Practice 3.1
 not in compliance with

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 Contingency Plan is not product specific, it 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 to a trucking incident. The AWE Health, Safety, Security, and Environmental Manager is also the Chief of the Fairbanks Norstar Borrow Hazmat Team, the entity that would respond to any incident. In Alaska, AWE personnel are very involved with the Local Emergency Planning

AWE Fairbanks & Tacoma Terminals		October 7, 2012
Name of Operation	Signature of Lead Auditor	Date

Page 10 of 13

Committee (LEPCs) 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.

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:

AWE personnel are given full hazardous materials responder training in accordance with U.S. Regulations – 29 CFR (HAZWOPER Training). AWE provides the emergency response training to its own personnel and also external responders who may participate in the response effort. Training records for personnel at each location were reviewed and were found to be complete. The roles and responsibilities of relevant internal and external personnel are clearly described in the AWE Contingency Plan.

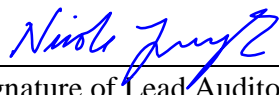
Detailed inventory lists were available for review for the emergency response trailer (Fairbanks) and the equipment that is maintained on each truck at each location. Confirmation of emergency response equipment availability is part of the pre-trip inspection process. Emergency response equipment in the Fairbanks response trailer and on trucks at each location was checked during the audit. The equipment was found to be in good working order and to be appropriate for the potential emergencies that may be encountered.

Emergency Response training is given initially and then annually thereafter. Cyanide specific emergency response training is given initially and at least every three years thereafter. Training records for personnel from each location were reviewed and found to be acceptable.

Emergency response equipment on the trucks is also checked as a regularly scheduled preventive maintenance task. The equipment trailer is checked at a defined frequency using a documented process and inventory checklist. Records were complete for the trucks and equipment trailer.

AWE Fairbanks & Tacoma Terminals

Name of Operation



Signature of Lead Auditor

October 7, 2012

Date

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.

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 Transport Practice 3.5
 not in compliance with

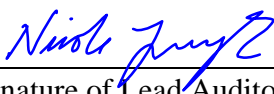
Summarize the basis for this Finding:

The Spill Contingency Plan is reviewed at least every six months for adequacy. The last review was conducted in June 2012. Other emergency planning documents are reviewed at least annually.

AWE trains emergency responders annually and AWE conducts or participates in hands-on drills each year. Additionally, all transportation events are treated as drills. Responses are critiqued, and plans are upgraded as appropriate. The critiques maintained for actual emergencies are extensive and accident investigations are thorough.

Records were reviewed from the Alaska Shield 2012 Hazmat Symposium and Field Exercise Cold Weather Hazmat Response. AWE participated in this February drill in Alaska. The drill was extensive and records were complete. The Tacoma facility also conducted an emergency response drill in 2012. Records showing involvement of Tacoma personnel were available for review.

Meetings are held after emergencies and drills to evaluate what parts of the plan could or should be improved. Documentation was available to show that proposed changes to the emergency plans were implemented, as necessary.

AWE Fairbanks & Tacoma Terminals		October 7, 2012
Name of Operation	Signature of Lead Auditor	Date

Page 13 of 13