

**Cyanide Code Transportation Pre-Operational
Verification Audit**

**SUMMARY AUDIT REPORT
Freightworks Transportation & Logistics
Sodium Cyanide Transportation Operations**

Audit Dates: December 26-27, 2016

**Submitted to:
International Cyanide Management Institute
888 16th Street, NW – Suite 303
Washington, DC 20006
USA**

**M.K. Dunkle Consulting
mdunkle@mindspring.com**

SUMMARY AUDIT REPORT

Name of Cyanide

Transportation

Operation: Freightworks Transportation & Logistics

Names of Facility

Owners: Freightworks, L.L.C.

Names of Facility

Operators: Freightworks, L.L.C.

Joshua Farmer, President

Freightworks, L.L.C.

174 Edwards Street Ext.

Names and

Rutherfordton, NC 28139

Addresses of

Tel. office: 828-287-7277; cell: 828-429-7577

Responsible

Managers:

Email: jfarmer@freightworkstransport.com

Location detail and description of operation:

FreightWorks Transportation & Logistics ("FreightWorks") was founded in 2012. The company specializes in the transportation of truckload cargoes with special requirements. Such requirements include the provision of special attention to safety (such as for chemicals and other hazardous cargoes), special attention to temperature control (such as for pharmaceuticals and foodstuffs) and special attention to security (such as for high value cargoes).

FreightWorks provides these services throughout the continental United States and Canada. The company's headquarters is located in Rutherfordton, North Carolina and it has a secondary terminal in Reno, Nevada. Over fifteen staff members are based at the headquarters with responsibilities in dispatch, load planning, accounting, safety, maintenance and human resources.

Freightworks operates over 65 trucks driven by more than 75 drivers. The company operates more than 75 trailers including dry van trailers, refrigerated trailers and end dump trailers. The company's personnel and equipment rely on the most modern technology available. FreightWorks uses world-class transportation management software from McLeod Software which integrates asset-tracking technology deployed on company trucks and trailers, remote maintenance diagnostics, various safety monitoring protocols and electronic driver logbooks.

FreightWorks is regulated and authorized to operate by the Federal Motor Carrier Safety Administration ("FMCSA") and the Pipeline & Hazardous Materials Safety Administration ("PHMSA"). FreightWorks maintains affiliations or registrations with with the International Cyanide Management Institute ("ICMI") National Association of Small Trucking Companies ("NASTC"), Canada Border Services Agency ("CBSA") and the United States Customs and Border Protection ("USCBP").

Marie K Dunkle

Freightworks Transportation & Logistics

Marie Dunkle

December 28, 2016

Name of Facility

Lead Auditor

Date

SUMMARY AUDIT REPORT

Auditor's Finding

This operation is

- in full compliance
- in substantial compliance *(see below)
- not in compliance

with the International Cyanide Management Code.

* For cyanide transportation operations seeking Code certification, the Corrective Action Plan to bring an operation in substantial compliance into full compliance must be enclosed with this Summary Audit Report. The plan must be fully implemented within one year of the date of this audit.

Audit Company:	M. K. Dunkle Consulting mdunkle@mindspring.com
Lead & Technical Auditor:	Marie Dunkle E-mail: mdunkle@mindspring.com
Date(s) of Audit:	December 26-27, 2016

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 Summary 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.

Marie K. Dunkle *Marie K Dunkle*
Signature of Lead Auditor

Freightworks Transportation & Logistics Marie Dunkle December 28, 2016
Name of Facility Lead Auditor Date

SUMMARY AUDIT REPORT

1. TRANSPORT: *Transport cyanide in a manner that minimizes the potential for accidents and releases.*

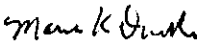
Transport Practice 1.1: *Select cyanide transport routes to minimize the potential for accidents and releases.*

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/Deficiencies Identified:

As documented in FWK CM 001, FWK has committed to use a documented routing selection method that takes into account population density, infrastructure, pitch & grade, proximity to water bodies, and prevalence and likelihood of poor weather and resulting poor driving conditions. Selection of routes is designed to minimize potential for accidents and releases. FWK has documented criteria and priorities for route selection and avoidance of specific areas to manage risks. The documented protocol includes instructions and state of the art communication tools for getting feedback on route condition from drivers. FWK has documented measures it is prepared to take to address risks identified with selected routes. Community input regarding the transport of cyanide is gathered through the use of the U.S. Department of Transportation (DOT) web site that indicates whether communities have restricted use of specific roadways for the transportation of hazardous materials. Documentation also states that input will be sought as necessary from the Cyanide shipper. According to documentation reviewed, all FWK tractors are equipped with in-cab computers with GPS routing and truck tracking capability for monitoring by dispatch personnel. Trailers are also equipped with tracking devices monitored by management and software to alert management to any departure from approved route. Truck routes are to be reviewed by multiple levels of the organization on an ongoing basis and at least every three years. Where routes present special safety or security concerns FWK has committed to and documented additional safety or security measures it will be prepared to take to address such concerns. FWK is a registered hazardous materials transporter through the U.S. DOT Pipelines and Hazardous Material Safety Administration (PHMSA). As such, fees paid by the company are partially allocated to the training of a national emergency response network. FWK documentation reviewed indicates that it is committed to work together with its customers to ensure that emergency responder roles are understood. Additionally, drivers are directed to carry emergency response information with them, including route specific information and the widely accepted North American Emergency Response Guidebook (ERG). FWK does not subcontract any portion of their cyanide transportation operations. Cyanide Code requirements pertaining to subcontractors are, therefore, not applicable to the organization.

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.*

Freightworks Transportation & Logistics  December 28, 2016
Name of Facility Lead Auditor Date

SUMMARY AUDIT REPORT

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/Deficiencies Identified:

FWK will not subcontract any portion of their cyanide transportation operations. Neither will FWK drivers or other personnel operate any cyanide handling equipment. Only drivers who have a U.S. DOT Class A Commercial Drivers License (CDL) with a Hazardous Materials endorsement shall be hired by FWK. Two years experience is required for drivers. All drivers who are involved in transport of NaCN shall be reviewed and receive and acknowledge FWK's Cyanide Transportation Standards & Guidelines, CM 001. This requirement also applies to all personnel involved in management of personnel involved in transport of NaCN. Additional computer-based safety training is provided to drivers upon hire and monthly. FWK also commits to ensuring that drivers receive Cyanide customer/shipper/receiver specific training as needed.

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/Deficiencies Identified:

FWK has committed in FWK CM 001 to transporting cyanide using equipment designed by U.S. manufacturer engineers to meet U.S. DOT weight rating standards. Gross Vehicle Weight Rating (GVWR) is certified by the manufacturer and documented on each vehicle with a label. All vehicles shall be rated for weights that exceed maximum loaded weights. Drivers have been designed personal responsibility for ensuring weight checks are carried out and results are within load limits. Product volumes and weights are to be confirmed when the trucks are loaded. Furthermore, FWK commits that the Director of Maintenance or designee shall periodically review vehicle maintenance records to verify trends, evaluate operating of specific equipment and take action to remove any equipment to improve safety. FWK document "Fleet Safety Program" section F describes the company's inspection and maintenance program for vehicles. FWK shall not subcontract any portion of their Cyanide transportation operations.

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/Deficiencies Identified:

Freightworks Transportation & Logistics *Marie K. Dunkle* December 28, 2016
Name of Facility Lead Auditor Date

SUMMARY AUDIT REPORT

Documented provisions (in FWK CM 001) are in place and were reviewed to verify the following are addressed adequately: integrity of producer's Cyanide packaging; use of placards to identify shipments as Cyanide, as required by local regulations; vehicle inspections prior to shipment; a preventive maintenance program; limitations of driver hours; prevention of loads from shifting; modification or suspension of transport under severe weather or civil unrest conditions; a drug abuse prevention and detection program; retention of records for all these activities. FWK will not subcontract any portion of their Cyanide transportation business according to FWK CM 001.

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/Deficiencies Identified:

FWK does not ship cyanide by sea or by air. This section of the 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/Deficiencies Identified:

Provisions are documented in FWK document CM 001 for Cyanide shipments and inventories to be tracked appropriately. FWK has installed and implemented robust satellite based communication and tracking systems on all its transport vehicles. FWK has committed for all drivers and dispatchers to be trained on the on-board recording, messaging and locator systems. These systems include means to communicate with cyanide producers or distributors and/or emergency responders as well as with FWK. Communications systems are currently in use according to CM 001 documentation and are monitored and tested on a daily basis. FWK has committed to train drivers on identification of communication blackout areas along transport routes and to inform FWK dispatch of such areas so that appropriate actions can be taken to ensure communications are maintained by other methods if necessary. Shipments are tracked using Orbcomm devices and Geo-fencing technology. Inventory control and chain of custody for Cyanide shipments consists of the bill of lading with all completed required information on

Freightworks Transportation & Logistics *Marie Dunkle* December 28, 2016
Name of Facility Lead Auditor Date

SUMMARY AUDIT REPORT

quantity and packaging. This is appropriate since FWK plans to transport NaCN directly from shipper to receiver without further handling.

FWK has committed to not use subcontractors for cyanide transport or handling.
**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/Deficiencies Identified:

Review of FWK document CM 001 shows that FWK does not intend to store NaCN on a long-term or interim basis and activities will be limited to transportation of a loaded trailer of solid NaCN contained within multiple layers of packaging and loaded into FWK's trailer at a customer site. FWK has given consideration to potential for an event of prolonged delay of a Cyanide shipment due to breakdown or severe weather and has procedures in this event to ensure the customer is notified and consulted and to consider notification of local law enforcement to ensure load security and potential for accidental release is minimized.

**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/Deficiencies Identified:

FWK has a detailed emergency response plan (ERP) within procedure CM 001 that addresses all of the additional requirements for emergency response during the transportation of cyanide. The plan appropriately is designed to consider transportation routes, physical and chemical form of cyanide, method of transportation and transportation infrastructure issues. The design of transport vehicles is considered (including physical integrity, communication and tracking technologies). The roles and responsibilities of FWK personnel in support of emergency

Freightworks Transportation & Logistics *Marie K. Dunkle* Marie Dunkle December 28, 2016
Name of Facility Lead Auditor Date

SUMMARY AUDIT REPORT

notifications, securing the emergency area and protecting the public are addressed in the plan reviewed during this audit. The roles of outside responders are appropriately addressed also.

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/Deficiencies Identified:

FWK commits in its emergency response plan to having necessary resources for emergency response to a Cyanide transportation emergency. The roles and responsibilities of FWK personnel who would support an emergency response are detailed in FWK document CM 001. FWK has committed to provide emergency response training of appropriate personnel. CM 001 includes a listing of emergency response equipment that should be available on vehicles transporting cyanide and FWK has committed to ensure each vehicle includes these resources, including PPE. They have committed to ensuring that the equipment is inspected for availability and readiness. FWK has committed to training its operator drivers both initially and with refresher on the emergency response procedures and implementation of the emergency response plan.

FWK does not subcontract any portion of their cyanide transportation and states as such in FWK document CM 001.

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/Deficiencies Identified:

Procedures and current contact information for notifying shipper, receiver/consignee, regulatory agencies, outside response providers, medical facilities and potentially affected communities of an emergency are in place in CM 001. All shipping documents are intended to carry the Chemtrec emergency response number. The Director of Safety is designated to review contact lists and phone numbers at least annually.

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

Freightworks Transportation & Logistics  Marie Dunkle December 28, 2016
Name of Facility Lead Auditor Date

SUMMARY AUDIT REPORT

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/Deficiencies Identified:

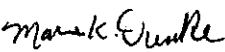
Remediation of a spill would be managed by an emergency response service provider, Chemtrec. The cyanide experts with the customer shipper would be notified in order to coordinate with Chemtrec to ensure appropriate clean up and remediation of contaminated solids or soils. Remediation of soils is, therefore, not addressed specifically in the FWK documentation. The Emergency Response Plan (ERP) does address the requirement that none of the chemicals such as sodium hypochlorite, ferrous sulfate, or hydrogen peroxide be used to treat a release to surface water. Responsible FWK personnel will be trained to these requirements according to the documented emergency response plan in FWK document CM 001.

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/Deficiencies Identified:

The Emergency Response Plan (ERP) in FWK document CM 001, states that the Plan and the notification call listings therein are reviewed and revised as necessary at least annually by the FWK Director of Safety. Additionally, after any incident or emergency involving a NaCN laden vehicle, a review committee of FWK management personnel and the shipper representative will be convened to review and revise procedures based on what was learned during the incident. The Emergency Response Plan (ERP) in FWK document CM 001 section 3.5 states that the Emergency response plan shall be tested annually as determined by the FWK Director of Safety.

Freightworks Transportation & Logistics  Marie Dunkle December 28, 2016
Name of Facility Lead Auditor Date