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**MOUNT POLLEY MINE
Tailings Storage Facility
2011 Construction**

DRAFT As-Built Report and Annual Review



Submitted to:

Mount Polley Mining Corporation,
Likely, BC

Submitted by:

**AMEC Environment & Infrastructure,
a division of AMEC Americas Limited**
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SUMMARY

This report presents the annual review of the operation and performance of the Mount Polley Mine Corporation (MPMC) tailings storage facility (TSF) for 2011, together with the as-built report documenting the 2011 construction of the TSF embankment. This report has been prepared in accordance with the requirements of the British Columbia Ministry of Energy and Mines (MEM), including MEM's updated guidelines for Annual Reports, issued 14 February 2003. The following points give a general summary of the 2011 TSF activities and key developments.

1) Classification of the dam(s) in terms of Consequence of Failure (ref. Canadian Dam Association, Dam Safety Guidelines [2007]).

A formal dam safety review was conducted in 2006. (AMEC 2006). This review assigned a "LOW" hazard classification based on 1999 Canadian Dam Association (CDA 1999) guidelines. CDA updated their Dam Safety Guidelines rating in 2007 (CDA 2007) and under the new classification the TSF is classified under "Significant" category (see Classification System Table 1.1).

2) Change in Engineer of Record for the TSF

The design and construction monitoring of the TSF embankments from mine start up to early 2011 had been completed under the direction of Knight Piésold Limited (KP). AMEC Environment & Infrastructure, a division AMEC Americas (AMEC) assumed the role of engineer of record for the TSF embankment as of 28 January 2011.

3) Renumbering of embankment instrumentation

KP provided the historical raw instrumentation data collected from the impoundment instrumentation. The raw data was reprocessed, and working piezometers renamed to simplify data management. The revised naming convention for piezometers is presented on Drawings 2011AB.08 through 2011AB.16. The piezometric data organized by planes is presented in Appendix B.

4) Embankment instrumentation summary

In 2011, a site investigation and instrumentation installation program was conducted. During the program additional vibrating wire piezometers and slope inclinometers were installed, Table 1.2, summarizes previously and newly installed vibrating wire (VW) installations.

Table 1.1 CDA (2007) Consequence Classification Scheme

Dam Class	Population at Risk [note 1]	Incremental Losses		
		Loss of Life [Note 2]	Environmental and Cultural Values	Infrastructure and Economics
Low	None	0	Minimal short-term loss No long-term loss	Low economic losses; area contains limited infrastructure or services
Significant	Temporary only	Unspecified	No significant loss or deterioration of fish or wildlife habitat Loss of marginal habitat only Restoration or compensation in kind highly possible	Losses to recreational facilities, seasonal workplaces, and infrequently used transportation routes
High	Permanent	10 or fewer	Significant loss or deterioration of <i>important</i> fish or wildlife habitat Restoration or compensation in kind highly possible	High economic losses affecting infrastructure, public transportation, and commercial facilities
Very High	Permanent	100 or fewer	Significant loss or deterioration of <i>critical</i> fish or wildlife habitat Restoration or compensation in kind possible but impractical	Very high economic losses affecting important infrastructure or services (e.g. highway, industrial facility, storage facilities for dangerous substances)
Extreme	Permanent	More than 100	Major loss of <i>critical</i> fish or wildlife habitat Restoration or compensation in kind impossible	Extreme losses affecting critical infrastructure or services (e.g. hospital, major industrial complex, major storage facilities for dangerous substances)

Note 1. Definitions for population at risk:

None – There is no identifiable population at risk, so there is no possibility of loss of life other than through unforeseeable misadventure.

Temporary – People are only temporarily in the dam-breach inundation zone (e.g. seasonal cottage use, passing through on transportation routes, participating in recreational activities).

Permanent – The population at risk is ordinarily located in the dam-breach inundation zone (e.g. as permanent residents); three consequence classes (high, very high, extreme) are proposed to allow for more detailed estimates of potential loss of life (to assist in decision-making if the appropriate analysis is carried out).

Note 2. Implications for loss of life:

Unspecified – The appropriate level of safety required at a dam where people are temporarily at risk depends on the number of people, the exposure time, the nature of their activity, and other conditions. A higher class could be appropriate, depending on the requirements. However, the design flood requirement, for example, might not be higher if the temporary population is not likely to be present during the flood season.

In general, in 2011 the piezometers indicated the following general trends for the TSF embankment:

- Pore pressures in foundation soils in around the TSF embankment were generally noted as stable with minor fluctuations, except for D1 where an upward trending piezometer is noted. Newly installed piezometers appear to have stabilized but insufficient data has been collected to show any trends at this point.
- Pore pressures in the till core are generally found to be stable, with a slightly increasing trend in response to the rising pond level.
- Pore pressures in filter and drains remained unchanged throughout the year.
- Pore pressures in the tailings and upstream fill generally experienced an upwards trend in response to the rising pond level. Piezometers installed at lower elevations within the tailings experienced lower response relative to the piezometers near the pond elevation, due to the under-drainage system.

Table 1.2: Piezometer Summary

Embankment	Previously Installed		2011 Installed	Total (Functional)
	(Functional)	(Non-functional)		
Main	40	26	15	55
Perimeter	10	9	5	15
South	8	2	3	11
Total	58	37	23	81

As part of the 2011 site investigation three (3) additional inclinometers were installed in the embankment for a total of 7 functioning slope inclinometers as shown in Table 1.3. Newly installed slope inclinometers were not initialized until January 24th, 2012. The last 2011 record reading of site slope inclinometers was conducted on September 6. The inclinometer data collected in early 2012 has been included as part of this report, and is presented in Appendix B.

Table 1.3: Slope Inclinometer Summary

Embankment	Previously Installed		2011 Installed	Total (Functional)
	(Functional)	(Non-functional)		
Main	4	1	2	6
Perimeter	0	0	1	1
Total	4	1	3	7

5) Significant changes to dam stability and/or surface water control.

None. Based on limit equilibrium stability analyses, the 2.1 m Stage 7 crest raise had a negligible impact on the factor of safety of the dams, with values still in excess of the minimum required 1.3 under static loading, short term construction conditions.

Findings from the 2011 SI/Instrumentation program will be incorporated into an updated stability model, with a report will be issued in mid-2012.

The runoff diversion ditch near Corner 4 at the southwest corner of the TSF was relocated approximately 30 m upslope to accommodate the 2011 extension of the embankment in that area. No other significant changes to the to the surface water control were implemented in 2011.

6) For major tailings impoundments, as described in Part 9.1.3 of the Health, Safety and Reclamation Code for Mines in British Columbia, all operating dams shall have a current Operations, Maintenance and Surveillance (OMS) Manual. The annual report shall indicate the latest revision date of the OMS Manual.

The OMS manual was last updated by MPMC in March 2010, and requires an update in 2012.

7) Scheduled date for formal Dam Safety Review (ref. Canadian Dam Association, Dam Safety Guidelines).

A formal Dam Safety Review in planned to be conducted in 2016 or during detailed closure design, whichever is earliest.

8) Summary of 2011 construction.

AMEC was present on site for critical, non-routine aspects of foundation preparation and fill placement. During this period AMEC verified that construction methods employed were consistent with design expectations during dam construction, material specifications were adhered to and that the monitoring and testing requirements were understood by MPMC personnel. This time was also used to verify that daily technical/progress reports were being completed properly, QA/QC and reporting responsibilities were thoroughly understood by all parties, and lines of communication between the site and AMEC office-based support were clearly established and functional. Once AMEC was satisfied that the MPMC's field inspectors were fully trained and prepared to undertake the construction monitoring and reporting role with primarily remote support required by AMEC, AMEC reduced their monitoring presence to monthly visits, with monitoring of construction progress carried out via reports and photographs issued by MPMC. Actual timing of AMEC's site visits varied somewhat to align with key construction activities such as foundation preparation and approval, and till core trench approval.

Stage 7 construction involved raising the crest of the embankment to a minimum elevation of 960.1 m. The 2011 construction began mid spring with placement of upstream fill (Zone U), and was completed by mid November with placement of NAG rock (ZONE C). The majority of construction monitoring was conducted directly by MPMC field inspectors with submission of daily reports to AMEC during placement of critical materials, comprising Till Core (Zone S) and Filter (Zone F). Zone S and Zone F placement was conducted by Peterson Contracting Ltd (contractor). Zone U, Transition (Zone T) and rockfill (Zone C) fills were placed by MPMC directly. The abutment preparations were also conducted by MPMC.

9) Overall performance of the Tailings Management Facility

Observations and data obtained over the course of 2011 indicate that the tailings management facility continues to perform in a satisfactory manner. The dam raising carried out in 2011 achieved conformance with design intent.

1.0 INTRODUCTION

The Mount Polley Mine is located in central British Columbia, approximately 60 km northeast of Williams Lake. The main access route is via Likely Road. The turn to the Mine is located approximately 1.5 km east of Morehead Lake with the Mine located another 11 km to the southeast, along the Bootjack Lake Forest Service Road. The Mount Polley mine commenced production in June 13, 1997. Ore is crushed and processed by selective flotation to produce a copper-gold concentrate. The mill throughput rate is approximately 18,500 tonnes per day (approx. 6.8 million tonnes per year). Mill tailings are discharged as slurry into the Tailings Storage Facility (TSF) located on the south area of the Mine property.

Tailings slurry is conveyed from the Concentrator to the TSF via a tailings discharge pipeline. The tailings are deposited into the impoundment through moveable or fixed spigots on the embankment crest. A floating reclaim pump recycles process water from the supernatant pond in the TSF for use in the mill processing circuit. Sediment ponds and seepage collection ponds are designed to intercept runoff from the surface and seepage from the embankment respectively. Drains, instrumentation and monitoring wells are constructed in and around the TSF to assist in monitoring the performance of the facility.

Drawing 2011AB.01 presents a plan of the as-built condition of the Mount Polley Mine site. Figure 1.1 shows an aerial view of the site from 2011.

MPMC milled approximately 28 M tonnes of ore prior to entering into care and maintenance status for the period from October 2001 to February 2005.

The starter dam for the TSF embankment was constructed in 1996 to a crest elevation of 927.0m. The starter dam was constructed out of a homogeneous compacted till fill. Discharge of the tailings into the impoundment commenced in the summer of 1997. The TSF embankment was raised in subsequent years as follows:

- To elevation 934.0 m in 1997.
- To elevation 936.0 m in 1998.
- To elevation 937.0 m in 1999.
- To elevation 941.0 m in 2000.
- To elevation 942.5 m in 2001.
- To elevation 944.0 m in 2004.
- To elevation 946.0 m in 2005.
- To elevation 949.0 m in 2006.
- To elevation 950.9 m in 2007.
- To elevation 951.9 m in 2008.
- To elevation 953.9 m in 2009.
- To elevation 958.0 m in 2010.
- To elevation 960.1 m in 2011.

In 2011 MPMC crews and equipment were responsible for the placement of Zone U, Zone T, and Zone C. Placement of Zone S and Zone F was performed by Peterson Contracting Ltd. (Peterson).

This report documents the construction monitoring, construction methods, and the results of the quality control testing performed during the 2011 construction of the Mount Polley TSF 2.1 m crest raise to approximately El. 960.1 m. This report also represents the 2011 annual review of the MPMC TSF.

Figure 1.1 Aerial View of Mine Site: 2011



2.0 OPERATION OF THE TAILINGS STORAGE FACILITY

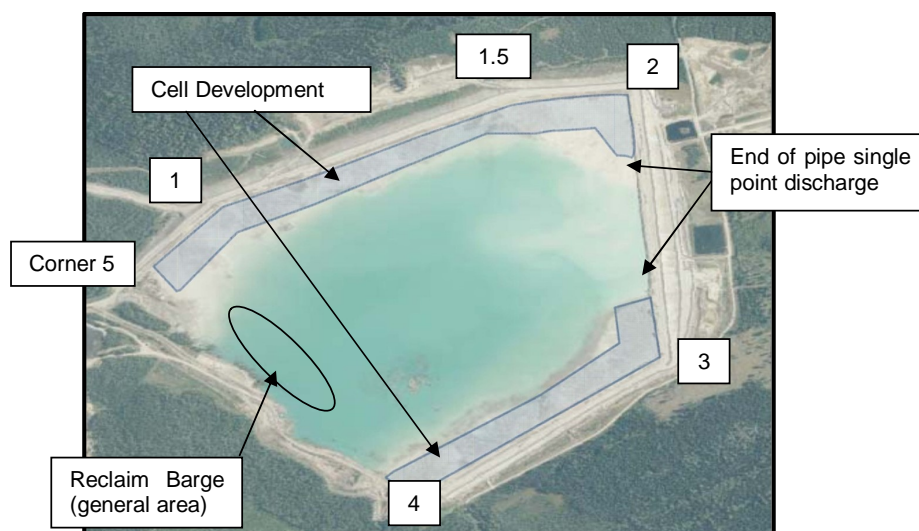
2.1 General

The Mount Polley TSF is comprised of one overall embankment that is approximately 4.2km in length. The embankment, based upon original separate embankments, is subdivided into three (3) sections; referred to as the Main Embankment, Perimeter Embankment and South Embankment. Heights vary along the embankment and are approximately 48 m, 30 m, and 20 m respectively (based upon the Main, Perimeter and South nomenclature). As-built sections of the embankment are shown on Drawings 2011AB.03 through 2011AB.05.

2.2 Tailings Discharge and Beach Management

Tailings are transported from the mill to the impoundment via an approximately 7 km long HDPE pipeline. As shown in Figure 2.1, 2011 cell construction was carried out from corner 5 advancing along the Perimeter embankment to the Main embankment to about Sta. 24+00. Insufficient tailings line pressure prevents cell construction along the central portion of the Main embankment and single point discharge is employed (approximately Sta. 24+00) to facilitate the beach development. Discharge from Sta. 24+00 was maintained for about 3 weeks after which discharge was relocated to corner 4 for the resumption of cell development. Cellular development was employed along the South embankment and around corner 1 where single point discharge was resumed. The pipeline design flow is 20,000 tpd at about 35% solids by dry weight.

Figure 2.1 Tailings Discharge Plan



2.3 Process Water Reclaim

The tailings pond supernatant is recycled to the mill for use as process water. It is transported via the reclaim pumping system, which consists of a barge, pipeline and booster pump station. The reclaim pipeline system returns water from the TSF to the mill for use in the mill process.

2.4 Operations, Maintenance and Surveillance Manual

The Operations, Maintenance and Surveillance (OMS) Manual was updated in 2010. Due to the change in engineer of record, the addition of new instrumentation and an updated instrumentation surveillance and reporting plan the TSF management component of the OMS manual should be updated in 2012.

2.5 Freeboard Requirements

The freeboard requirement for the TSF is 1.3 m to allow for storage of the 72-hour PMP event, which corresponds to approximately 1.07 Mm³ (resulting in a rise of pond level of 0.39 m) plus 0.91 m to allow for wave run-up above the resultant pond level.

2.6 Seepage Collection Ponds

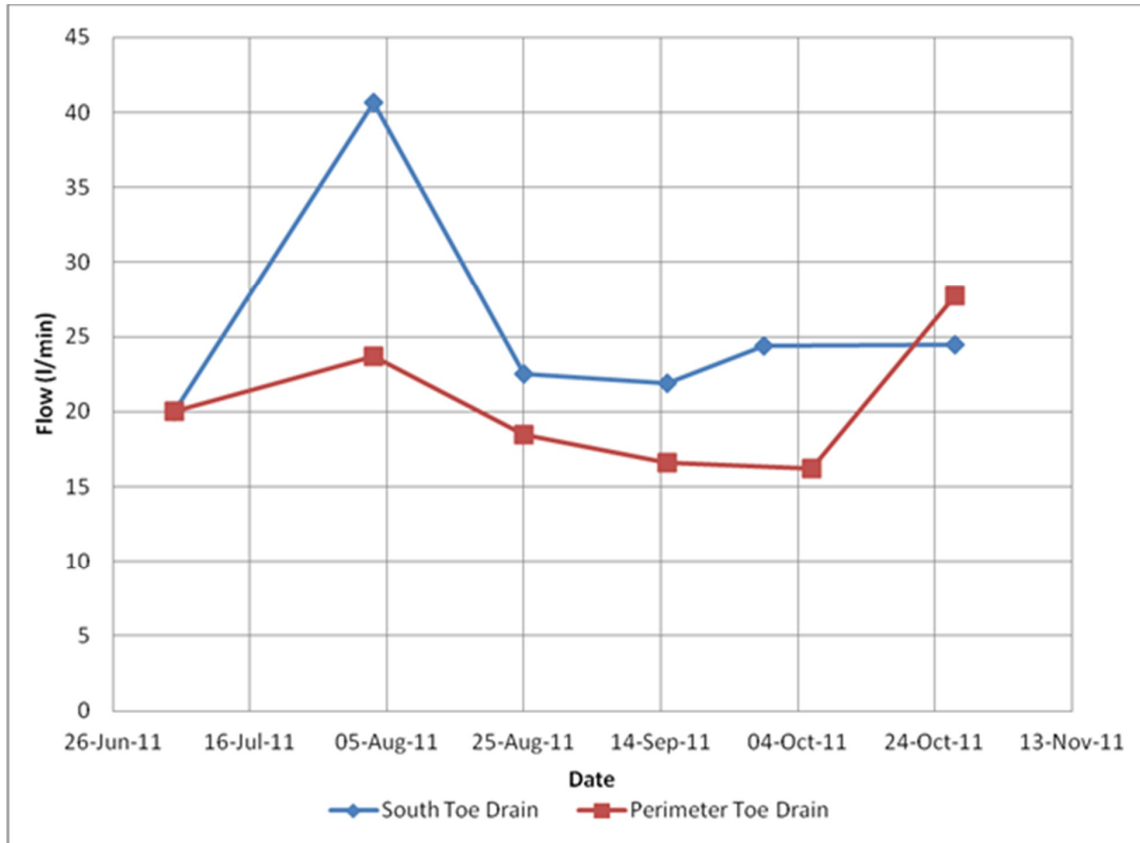
Seepage collection ponds are located downstream of each of the three embankments that create the TSF. The seepage collection ponds collect seepage from the embankments, embankment drain discharge as well as direct runoff from the embankment and reporting catchments. Records indicate that the ponds were excavated into low conductivity glacial till. The ponds were observed to be in good condition.

2.7 Drain Flow Data

Flows from the upstream toe drain and foundation drains of the Main embankment are measured at the sump located at the Main Embankment seepage collection pond. Upstream toe drains from the Perimeter and South embankments discharge into ditches which carry the flow to their respective seepage collection ponds where it is measured at the end of pipe. Water from the upstream toe and foundation drains is recycled to the TSF.

Measurement of drain flows into the Main Embankment requires that the sediment control pond be pumped down to a low level to allow for safe entry into the sump. In 2011 Main Embankment drain readings were not measured and MPMC was out of compliance with the OMS manual requirements. MPMC is working to revise the monitoring system in an attempt to capture drain flow readings in compliance with the OMS requirements. Frequency of drain flows from the South and Perimeter embankments varied from monthly to bi-weekly as weather permitted. South and Perimeter Embankment drain reading for 2011 are presented in Figure 2.2. There is no note of any turbidity observed in the drain water which indicates that the filters associated with the drains are operating as intended.

Figure 2.2 South and Perimeter Toe Drain Flow Readings – 2011



3.0 2011 DAM DESIGN

The drawings appended to this report include design and as-built sections of the TSF embankment current as of the end of 2011. The drawings in plan view show the locations of the readout stations for the instrumentation (piezometers, inclinometers), and in section view show the relative placement of the instruments within the embankment and its foundation.

The 2011 Stage 7 TSF embankment raise design was to an elevation of 960.5 m. The design is presented on drawing 2011AB.03 and is as follows:

Upstream Fill (Zone U)

- Comprised of tailings or waste rock where tailings placement infeasible
- Cell construction is to be utilized wherever possible;
- Reworking of the tailings is needed to ensure proper distribution within the cell;
- NAG/PAG rock fill can be utilized where the tailings placements is not possible.

Till Core (Zone S)

- Comprises compacted, low hydraulic conductivity till fill
- Material is to be well graded and as specified in 2011AB.03;
- Minimum 5.0 m in width;
- Continuous full width overlap between the previous stage 6 and stage 7;
- Placed in maximum of 300 mm thick lifts;
- Compaction of minimum of 95% of maximum density as determined by the Standard Proctor compaction test (ASTM D 698);
- Periodic sampling from the borrow pit and dam surface to verify suitability of the material;

Filter (Zone F)

- Comprises well-graded sand and gravel
- Material is to be free draining and as specified in 2011AB.03;
- Minimum 1.8 m in width;
- The transition between new and existing filter material is to be continuous with a minimum of 1.0 m overlap;
- Placed in maximum of 600 mm thick lifts;
- Compacted by a 10 ton vibratory smooth drum;
- Periodic samples are to be collected for laboratory testing;

Transition (Zone T)

- Comprises relatively fine waste rock
- Material is to be free draining and as specified in 2011AB.03;
- New material is to be placed in maximum of 600 mm thick lifts;
- Minimum 1.8 m in width;
- Compacted by uniform routing of haul trucks and spreading equipment.

Rock Fill (Zone C)

- Comprises run-of-mine waste rock
- Nominal maximum particle size of 1m;

- Pavement like surface between consecutive layers is to be scarified;

4.0 CONSTRUCTION MONITORING PROGRAM

Construction Monitoring during the 2011 construction season was mainly carried out by MPMC personnel. AMEC's Support Engineer reviewed daily construction records and performed regular site visits to monitor the quality of construction and assess MPMC's monitoring of the construction.

4.1 AMEC Support Engineer

AMEC's Support Engineer provided on-site supervision during the following periods:

- Pre-construction Meeting: May 31 to June 1
- Construction Kick-off: June 13 to June 16, June 20 to June 24, June 27 to June 28
- July Site Visit: July 25 to July 28
- August Site Visit: August 19 to August 25

While on site the responsibilities of AMEC's Support Engineer were as follows:

- Monitor, train, and assist MPMC personnel with the requirements of construction monitoring;
- Monitor, sample, and requisition tests of the borrow areas, as required;
- Monitor and perform QA testing of compacted till core soils, as required;
- Review and approval of proposed borrow soils;
- Review and approval of transition and filter material, processed methodology and monitoring practices.
- Monitor and approve the filter trench excavation and preparation;
- Monitor and approve abutment preparation;
- Address any concerns or out-of-compliance situations observed and recorded during construction;
- Carry out the quality control field and laboratory testing;
- Direct the MPMC personnel to address the survey requirements, results, etc.; and
- Meet as required with MPMC to review the construction program.

While in the office the responsibilities of AMEC's Support Engineer were as follows:

- Review daily construction reports submitted by MPMC personnel;
- Review compaction results submitted by MPMC personnel;
- Plot and review instrumentation readings submitted by MPMC personnel;
- Address any concerns or out-of-compliance situations noted by MPMC personnel; and
- Coordinate with MPMC personnel and AMEC's Project Manager/Senior Engineer.

4.2 AMEC Senior Support

AMEC's Senior support Engineers visited site on the following dates:

- T. Martin: June 20/21
- D. Dufault: July 25/26

4.3 MPMC Field Inspector

MPMC Field Inspectors were responsible for the following:

- Monitor and maintain a photographic record of ongoing construction activities;
- Review borrow pit material to verify material consistency
- Delineate embankment zones with stakes (every 50 m).
- Perform QC compaction testing of placed Zone S material (as per material placement specifications);
- Collect material samples for QC laboratory testing;
- Conduct as-built surveys of various zones;
- Prepare and submit daily construction reports;
- Collect and submit instrumentation data; and
- Report out-of-compliance situations to AMEC's Support Engineer

4.4 QA/QC Testing

A summary of the testing requirements is given in Table 4.1.

Table 4.1 Embankment Material Types and QA/QC Testing Requirements

Material Type	Construction Testing Requirements
Zone S – Till Core	<u>Source Classification</u> D422-07: 1 per 10,000 m ³ per source. <u>In-Place Testing</u> D6780-05: 1 per lift per 150 linear m or 1 per day per lift; D422-07: 1 per 10,000m ³ offset to source.
Zone F – Filter	<u>Source Classification</u> D422-07: 1 per 5,000 m ³ per source. <u>In-Place Testing</u> D422-07: 1 per 5,000 m ³ offset to source. Visual in-place inspection of compaction and zone dimension.
Zone T – Transition	Confirmation of waste rock inertness, as required. D422-07: 1 per 5,000m ³ . Visual in-place inspection of material size, compaction, and zone dimension.
Zone C – Rockfill	Confirmation of waste rock inertness, as required. Visual in-place inspection of material size and placement.
Zone U – Upstream fill	Visual in-place inspection of material size and placement.

During the 2011 construction season, the testing frequencies as outlined above were generally maintained.

4.5 Instrumentation Monitoring

During the 2011 construction period, MPMC personnel monitored the vibratory wire instrumentation along the embankments generally once every two weeks. Inclinoimeters were monitored generally every two weeks during 2011 construction period; inclinometer readings were offset a week from the piezometer readings.

For the period after the 2011 construction period through the end of 2011 the recommended instrumentation surveillance schedule was not maintained. Compliant monitoring frequency was re-established in January 2012.

5.0 2011 TSF STAGE 7 EMBANKMENT RAISE CONSTRUCTION OVERVIEW

5.1 General

Construction of the Stage 7 raise entailed a raise of approximately 2.1 m from approximate El. 958 m to El. 960.1 m. Till core construction period took place between June 13 and September 21, 2011. This section provides a brief summary of the 2011 construction activities for the TSF. Drawings AB2011.04 through AB2011.06 show the plan view and as built sections of the embankment in relation to the design. A selection of photographs showing various stages of the 2011 TSF construction are presented in Appendix C.

5.2 Abutment Preparation

To accommodate the 2011 embankment raise, the south and perimeter abutments were extended. Abutment preparation was conducted as follows:

- Bulk removal of overburden (including previously placed waste rock fill) by MPMC personnel and equipment.
- Test pits were conducted to confirm that a minimum of 2 m of till was present beneath the embankment core. The test pits were located upstream and downstream of the core limits such that the existing soils found under the till core contact were not compromised. Bedrock was not encountered in any of the test pits.
- To accommodate a drainage trench detail implemented in past raises, aligned along the toe of the dam, a ditch approximately 1.0 m in depth and 2.0 m in width was excavated along the Perimeter and the South embankments downstream of the abutment core extensions. On the south embankment it was noted that a corrugated drainage pipe was present. The pipe was extended and placed at the base of the trench. No drainage pipe was noted on the perimeter embankment. The trench was then backfilled with filter material (Zone F).
- Prior to placement of the drainage blanket the exposed native abutment material was proof-rolled with a 10 ton vibratory smooth drum compactor.
- The drainage blanket was placed to the full extents of the embankment shell. The blanket consisted of a 0.3 m thick lift of Zone F material overlain by a 0.3 m thickness of Zone T material.

5.3 Fill Placement

5.3.1 Zone U – Upstream Shell

The upstream shell was constructed of spigotted tailings utilizing cells, reworked with a dozer, and shaped with the aid of an excavator; the majority of this work was carried out without AMEC supervision. Where the tailings could not be for shell construction owing to pipeline and pumping limitations, NAG waste rock was used, as shown on Figure 2.1. This occurred along the central portion of the Main embankment between corner 2 and corner 3. The NAG was transported by haul truck and placed/shaped by excavator. Prior to 2011 Zone S placement,

AMEC's Support Engineer inspected the NAG waste rock to ensure that large boulders (diameter > 1 m) were not placed near the Zone U/Zone S interface.

5.3.2 Zone S – Till Core

The placement of Zone S material was performed by contractor and generally was executed as follows:

- Prior to placement of the first lift of till core for the 2011 raise the existing Zone S/abutments were prepared by proof-rolling with a 10 ton vibratory smooth drum roller. Areas that were noted to be soft or affected by the frost were removed and replaced with approved Zone S material.
- The top 0.1 m of the prepared surface was scarified with the aid of a dozer/grader, to promote good bonding between successive lifts.
- The surface was moisture conditioned as required to further promote proper bonding of successive till lifts.
- The till was placed in 0.3 m thick lifts via scrapers, and was spread with the aid of dozers, excavators, and graders.
- Compaction was achieved by scraper trafficking and a 10 ton smooth drum vibratory compactor.
- On average, for every 2 to 3 lifts placed, the downstream face of the till was trimmed and shaped by an excavator to maintain design lines. The extra width trimmed was required to ensure that the full design width of till was compacted.

5.3.3 Zone F – NAG Filter Rock

The material utilized for Zone F was crushed on site and stockpiled around the embankment for rehandling during placement within the dam. Haul trucks were used to stock pile and transport the material to the TSF embankment. Refer to Drawing 2011.02 for stock pile locations used during the 2011 construction.

Prior to placement of Zone F material the previously placed filter material was exposed to ensure vertical continuity of the filter. This was carried out by excavator as part of the trimming process for the core. The filter material was placed on the embankment by the contractor in 0.6 m lifts. The material was transported by dump trucks and spread/shaped with the aid of excavator, grader, and a loader.

The placed Zone F material was compacted in conjunction with Zone T material, by 10 ton smooth drum compactor and scraper trafficking.

5.3.4 Zone T – Transition NAG Rock

AMEC understands that historically the Zone T material was produced by manually sorting Zone C material with an excavator. Sorting of Zone C material required experienced operators; was time consuming; and required constant supervision. Initially, Zone T fill was manually sorted during the Stage 7 construction. However, during the initial placement of this material it was noted that the required gradation and consistency of the material was not being achieved. MPMC switched to a manufactured product with a nominal particle size of 75mm and a gradation and distribution that satisfied the required specifications.

Prior to placement of the Zone T material the interface between the different lifts was exposed or/and scarified to remove any pavement like surfaces. Zone T material was hauled by MPMC and placed by MPMC in 0.6 m to 1.2 m thick lifts with the aid of a loader and grader. Additional material was also placed to provide access ramps utilized by scrapers. These ramps enabled to scrapers to place additional till lifts. After the core and the filter material were constructed for the season, the previously placed transition ramp was reshaped to form the transition zone with the aid of an excavator. The compaction of the transition zone was achieved via routing of scrapers and haul trucks.

5.3.5 Zone C – Downstream Shell NAG Rock

Zone C material was placed by MPMC. Prior to placement, where pavement like grade was noted, the grade was scarified with the aid of grader/dozer, to avoid continuous, low hydraulic conductivity zones within the rockfill shell, and thus promote downward drainage through the rockfill. The NAG rock was transported from active mining areas to the embankment via haul truck and placed and spread by dozers.

5.4 Survey Control

Survey control requirements for the 2011 raise of the TSF included the following:

- Staking out the upstream and downstream of the Zone S; the stakes were generally placed every 50m along the entire length of the embankment.
- Maintaining the downstream crest stationing during embankment construction.
- Verifying that a 5m width was maintained during construction.
- Establishing and verifying the Zone F/T transition line for placement of Zone T material.
- Confirming that the minimum width of Zone F and Zone T were achieved by conducting spot checks.
- Survey pick-up of the locations of in-situ density tests.
- Collecting and storing data as required for the as-built record; and
- Providing location and elevation data as required by the AMEC Support Engineer.

5.5 Quality Control and Quality Assurance Testing

QA/QC testing of the fills used in the construction of the embankment involved on-site and off-site tests. On-site testing was restricted due to the limited availability of the on-site laboratory. The results of these tests are presented in Appendix A.

A summary of the quantities of each different material type and the number and types of tests performed on the fills is provided in Table 5.1.

Table 5.1 TSF Summary of Material Quantities and Laboratory testing

Material Type	Source Of Material	Volume Placed (m ³)	QA/QC Tests Performed
Zone C – Downstream Shell NAG Rock	Springer Pit (ROM)*	209,500	Visual
Zone T – Transition NAG Rock	Springer Pit (Road Crush product)		31 gradations (MPMC – from stockpile) 4 Gradations (AMEC – from stock piles)
Zone F – NAG Filter Rock	Springer Pit (Filter Crush)	19,550	5 Gradations (MPMC As placed) 3 Gradations (AMEC – As placed) 5 Gradations (AMEC – from stock piles)
Zone S - Till Core	Perimeter and Barge Borrow Pits	54,300	5 Proctor 9 Gradation 7 Atterberg limits 43 ND field density (AMEC) 235 MDI field density(MPMC) 9 Laboratory Moisture tests
Total Fill Volume Placed		283,350	

*Run of mine material (no processing required)

5.5.1 Zone S – Till Core

During the 2011 construction season two (2) separate borrow pits were utilized, the barge and perimeter borrows. In 2011 the main borrow source used was the perimeter borrow. This borrow pit is located downstream of the perimeter dam between Corner 1 and Corner 1.5. The material sourced from the barge borrow was placed near Corner 5, and was only used for the small section between Corner 1 and Corner 5 of the embankment. The locations of the borrow pits are shown on Drawing 2011AB.02. Till material from both borrows was fairly consistent and was classified as a low plastic Silt, sandy, some clay with some to trace gravel.

Prior to commencement of the 2011 construction season; the MDI testing unit was calibrated as per (ASTM 6780-05). In addition, a proctor test was conducted to confirm the maximum density and optimal moisture content as per (ASTM D2216-10) of the glacial till to be used for Zone S construction. The in-situ density and moisture content of the compacted fill were determined by performing MDI tests (ASTM D6780-05) by MPMC personnel. AMEC carried out additional QA testing with a nuclear densometer (ASTM D6938-10, ND). Where field test results indicated that the specified 95% Standard Proctor Maximum Dry Density (SPMDD) was not achieved, the area was re-compacted until satisfactory test results were achieved. Samples of till were also collected and periodically sent to AMEC's Prince George lab facility for geotechnical index testing. Additional detail regarding the QC/QA tests was presented in Table 5.1 with testing results presented in Appendix A.

The SPMDD value used in the field was chosen based on an average of the SPMDD lab results for the 2010 construction season and/or based on visual classification of the soil and/or based on the moisture content and/or the results of field scale test compactions and/or updated SPMDD results, whichever was most appropriate.

New average SPMDD reference values were calculated and applied in the field as new proctor data became available. In general, the fills achieved 95% SPMDD even when a conservative SPMDD reference value was used, due to the compactive effort applied by construction traffic and compaction equipment. Each test result was recorded and entered into a spreadsheet. Plots of the test results were prepared and are presented in Appendix A.

5.5.2 Zone F – NAG Filter Rock

Filter Zone F was produced by running run-of-mine NAG waste rock through the mill crusher. The processed material was fairly consistent and was slightly coarse at the bottom end of the gradation curve but was deemed acceptable. Samples of Zone F material were sampled and tested, testing results are presented in Appendix A. A single sample of stockpile filter material was out of specification and that material was removed and wasted.

5.5.3 Zone T – Transition Zone

As discussed in Section 5.3 the means of producing an acceptable transition zone material was adjusted in 2011. The new processed material consistently satisfied the required specification and was deemed acceptable. Samples of this material were collected and are presented in Appendix A.

5.5.4 Zone C – Downstream Shell NAG Rock

Downstream Shell Zone C rockfill was visually checked to ensure filter compatibility with the upstream adjacent Zone T material. Standard practice of placing excessively coarse material towards the downstream limit of the fill was adhered to and the Zone C material placed was deemed acceptable.

5.6 Conformance of 2011 Construction With Design Intent

Based on AMEC's observations of the construction while, reports prepared by MPMC when AMEC was not on site, and the QA/QC records, the 2011 Stage 7 raise of the dams were carried out in conformance with design intent.

6.0 INSTRUMENTATION MONITORING

6.1 General

The design and construction monitoring of the TSF embankments from mine start-up to early 2011 had been completed under the direction of KP. AMEC assumed the role of engineer of record for the TSF embankment as of 28 January 2011. KP provided the historical raw instrumentation data collected from the impoundment instrumentation. The raw data was reprocessed, and working piezometers renamed to simplify data management. The revised naming convention for piezometers is presented on Drawings 2011AB.08 through 2011AB.16. The piezometric data organized by planes is presented in Appendix B

6.2 New Instrumentation

In 2011, a site investigation program was conducted. During the site investigation additional vibrating wire piezometers and slope inclinometers were installed. Table 1.2 and Table 1.3 summarize the status of vibrating wire piezometers and inclinometers installed in the TSF.

6.3 Piezometers

In general, in 2011 the piezometers indicated the following general trends for the TSF embankment:

- Pore pressures in foundation soils in and around the TSF embankment were generally noted as stable with minor fluctuations, except for D1 where an upward trend is noted. Newly installed piezometers appear to have stabilized but insufficient data has been collected to show any trends at this point.
- Pore pressures in the till core are generally found to be stable, with a slightly increasing trend in response to the rising pond level.
- Pore pressures in filter and drains remained unchanged throughout the year.
- Pore pressures in the tailings and upstream fill generally experienced an upwards trend in response to the rising pond level. Piezometers installed at a lower elevation within the upstream tailings experienced lower response relative to the piezometers near the pond elevation, likely the result of proximity to the upstream under-drainage system.

6.4 Slope Inclinometers

In general, in 2011 the inclinometers indicated the following trends for the TSF embankment:

- SI11-02 showed an approximately 5 mm displacement over the course of the entire year. About half of that movement was observed sometime after or near completion of construction. Regular readings were not conducted during construction. The observed displacement is well within tolerable limits.
- SI06-02 and SI06-03 also displayed slight displacements. Since initialization of these slope inclinometers (in 2006), cumulative lateral displacement of roughly 5 mm has been observed, with no well-defined discrete movement zone. These movements are well within tolerable limits.
- No notable displacement has been noted on SI06-01, SI11-01, and SI11-02.
- SI11-04 has to date indicated displacement suggestive of compression rather than lateral displacement. Such a pattern of displacement sometimes occurs as a result of

the installation process. This slope inclinometer should be reinitialized when the compression displacement stabilizes.

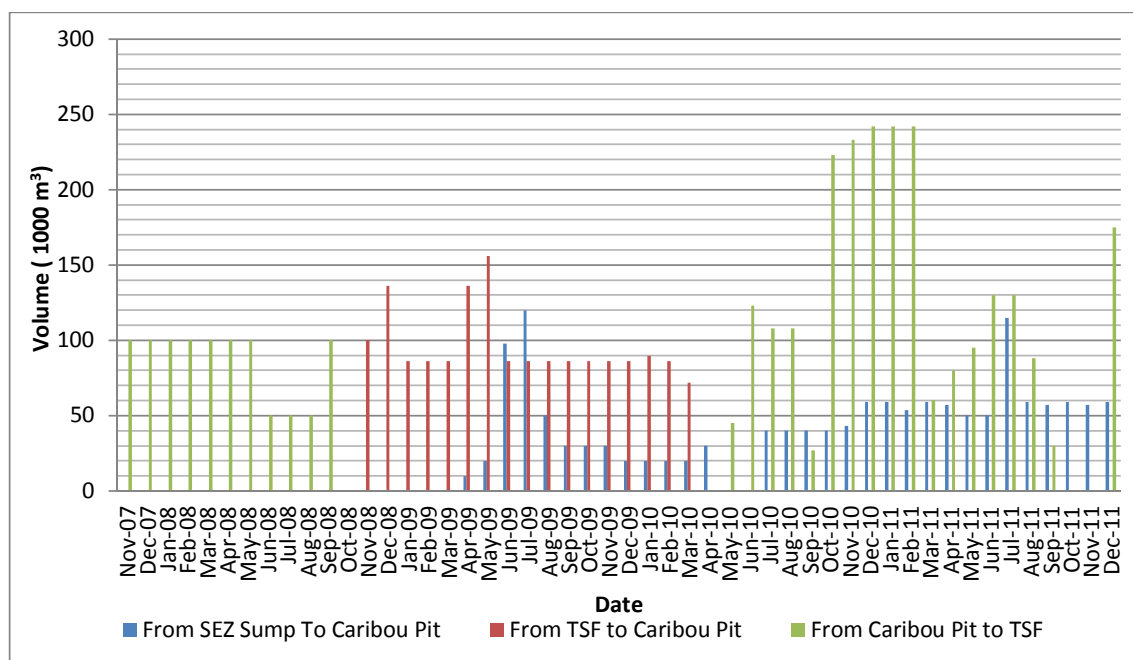
7.0 WATER MANAGEMENT AND IMPOUNDMENT RAISING SCHEDULE

7.1 General

MPMC maintains the water/mass balance model which is updated on a regular basis with actual tonnages (milled/mined) and surveyed pond water elevations to maintain the accuracy of the model and pond level projections. The Mount Polley balance has not been provided to nor has been reviewed by AMEC. This section therefore provides a general overview of the water balance and site water management as provided by MPMC.

It is AMEC's understanding that currently the total inflow from precipitation and surface runoff exceeds losses from evaporation and storage of water within the voids of deposited tailings. Thus, MPMC mine site is operating under a net annual water surplus condition, with the accumulating surplus being stored in the TSF, the Caribou Pit and North East Zone Pit. MPMC transfers water as needed between the TSF and the Caribou Pit, with the volumes transferred, as provided by MPMC, shown in Figure 7.1.

Figure 7.1: Water Transfer



7.2 Site Water Management

Site water management is illustrated on Figure 7.2 and is described below:

- Northeast Zone Pit water is pumped into the “Long Ditch”. Long Ditch also intercepts surface runoff along with flows via a buried pipeline from “Joe’s Creek” that collects water from dump runoff at the northern end of the site. The Southeast Rock Dump Site (SERDS) Ditch feeds into a pond (along with the open-flow Long Ditch). This water is conveyed via a buried pipe until just past the Bootjack Creek Bridge crossing (not identified on the map) where it then flows back into an open ditch and into the Perimeter

Embankment Seepage Collection Pond. This water is collected and pumped into the TSF.

- The Anaerobic Biological Reactor (ABR) receives toe drain flow, and discharges out to a pond and to the Main Seepage Pond, from where it is pumped back into the TSF.
- The Mill Site Sump is bled into the tailings line and thus directed to the TSF.
- The reclaim water line runs adjacent to the tailings line, and transfers water from the reclaim barge in the TSF to the booster station (not labelled) and to the mill.
- Flows from the TSF toe drains and upstream under-drains report to the seepage collection ponds before being pumped back into the TSF.

7.3 Mass Balance

Survey and pond soundings of the impoundment area were last updated by MPMC personnel in August 2011. The updated survey data was used to create a revised storage elevation curve for the tailings impoundment, which was incorporated into the mass balance model. The updated mass balance model was then used to predict average tailings and pond level/volume within the TSF. In turn, that level plus the PMF event determines the required dam crest elevations and the dam raising schedule. A new bathymetric survey will be carried out when the pond becomes ice free in 2012.

The mass balance model is updated on a regular basis with actual tonnages (milled/mined) and surveyed pond water elevations to maintain the accuracy of the model and pond level projections.

7.4 Overview of Mass Balance Model

The mass balance model projections are based on a number of parameters and assumptions, including those listed below:

- Projected tailings elevations in the TSF are on the basis of the tailings tonnages projected by the design mine plan.
- Projected pond water levels do not take into account the water transferred between the TSF and the Cariboo Pit.

The TSF is required to have sufficient live storage capacity for containment of 679,000 cubic meters of runoff from the entire contributing catchment area during a 24-hour PMP event. This volume of stormwater would result in an incremental rise in the tailings pond level of approximately 0.39 meters. The TSF design also incorporates an allowance of 0.91 metre of freeboard for wave run-up. Therefore, the normal and maximum operating pond levels are as follows:

- Normal Operating Level – Water level at least 1.3 meters below the embankment crest;
- Maximum Operating Level – Water level is 1 meter below the embankment crest, which also means the loss of storage capacity for a 24-hour PMP event.

7.5 Dam Raising Schedule

MPMC is managing the site water balance, and only the corresponding projected pond elevations and respective dam filling schedule have been reviewed by the design engineer. The following section was provided by MPMC. *The water balance projects that the current dam crest elevation of 960.1 m is sufficient until the end May 2012. To remain compliant and satisfy the 1.3 m freeboard requirement, a 0.3 m lift over the entire length of the embankment will be required in early spring 2012 accordingly. MPMC holds the option of transferring excess pond water into the mined out Cariboo Pit if required to satisfy freeboard requirements until the full 2012 embankment raise is realized.*

The 2012 Stage 8 Embankment raise (3.4 m) to crest El. 963.5 m is targeted for completion by the end of September 2012. The impoundment filling curve with predicted and actual pond levels and embankment elevations through the 2012 season is presented in Figure 7.3.

7.6 Updated Mine Planning

The final life of mine tonnage for the Mount Polley Mine has not been finalized, MPMC is in the process of reviewing their mine plan and a revised plan will be released in 2012.

Figure 7.2 Site Water Management Schematic

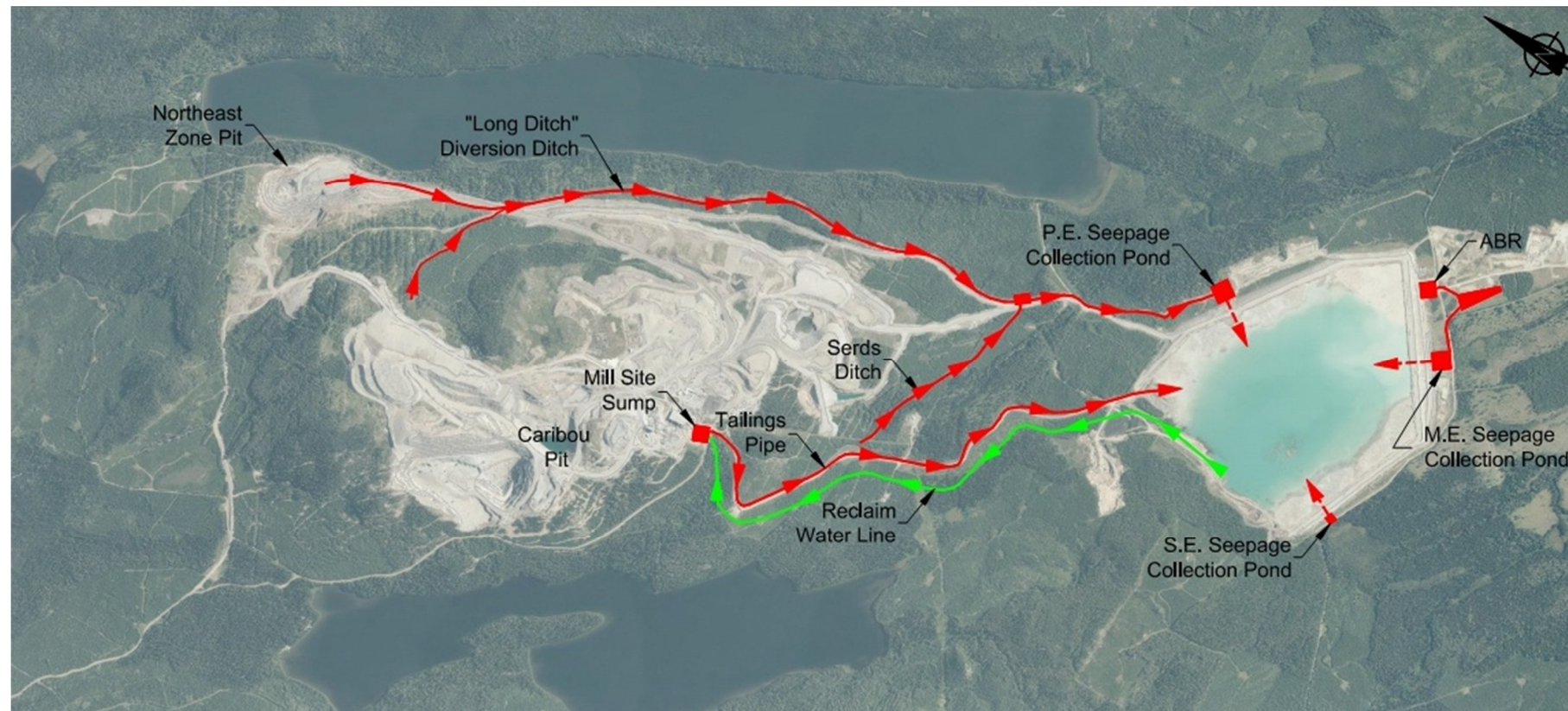
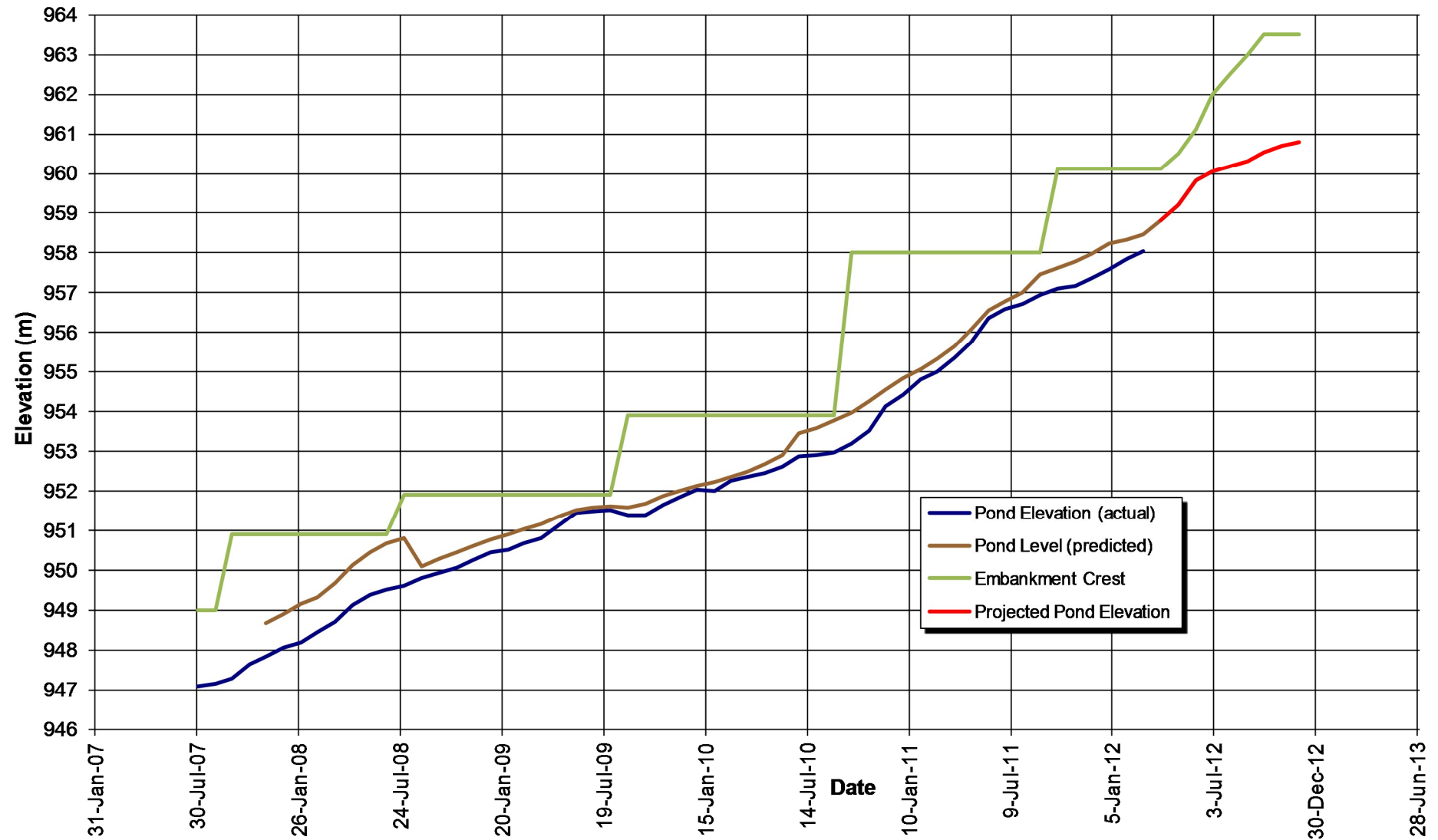


Figure 7.3 Impoundment Storage Elevation Curve



8.0 CONCLUSIONS AND RECOMMENDATIONS

Conclusions drawn on the basis of this annual review and as-built report are as follows:

1. The TSF embankment was raised to a minimum crest elevation (till core) of 960.5 m in 2011.
2. The 2011 raise construction of the TSF embankment was carried out in conformance with design intent.
3. Monitoring of the TSF embankment via instrumentation and visual inspections indicated the following:
 - a. Surveys of inclinometers within the downstream shell of the dam indicate that movements are minor and well within tolerable limits.
 - b. Foundation pore pressures have been stable.
 - c. Pore pressures in the till fill of the dam have increased slightly due to the pore pressure increase of the tailings.
 - d. Measurement of flow rates from toe and embankment drains.
 - e. The TSF embankment is performing in accordance with its design intent.

Recommendations made on the basis of this annual review and as-built report are as follows:

1. A comprehensive review and update of the site water balance should be undertaken.
2. Toe drain flows need to be measured and recorded per requirements described in the OMS manual.
3. The OMS manual for the TSF is due for an update in 2012.

9.0 REPORT CLOSURE

This report has been prepared for the exclusive use of Mount Polley Mine Corporation for specific application to the area within this report. Any use which a third party makes of this report, or any reliance on or decisions made based on it, are the responsibility of such third parties. AMEC accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this report. It has been prepared in accordance with generally accepted geotechnical and tailings dam engineering practices. No other warranty, expressed or implied, is made.

Respectfully submitted,

**AMEC Earth & Environmental,
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DRAWINGS

APPENDIX A
MATERIAL TESTING RESULTS

APPENDIX B
INSTRUMENTATION PLOTS

APPENDIX C
2011 CONSTRUCTION SEASON PHOTOS