



# Mount Polley Mining Corporation

A DIVISION OF IMPERIAL METALS CORPORATION  
 BOX 12, LIKELY BC V0L 1N0  
 PHONE: (250) 790-2215  
 FAX: (205) 790-2268

## FAX COVER SHEET

<b>DATE:</b> <u>AUG. 15-06</u>
<b>ATTENTION TO:</b> <u>KEN BROWER</u>
<b>COMPANY:</b>
<b>FAX NO:</b> <u>604-685-0147</u>
<b>FROM:</b> <u>RON MARTEL</u>
<i>Number of pages including cover page:</i>

REMARKS:  URGENT       FOR YOUR INFORMATION  
 REPLY ASAP       PLEASE COMMENT

**SUBJECT:**

KNIGHT PIESOLD LTD.				
IN / OUT		<u>8-15-06</u>		
Name	Routing	Date Read	Action By	Reply Date
JPH				
KJB	<u>KJB</u>			
<u>LJG</u>	<u>1</u>	<u>12/9</u>		
<u>JNeD</u>	<u>2</u>	<u>Aug 16</u>	<u>JN</u>	
<u>EC</u>	<u>3</u>	<u>2/2/06</u>	<u>EC</u>	
<u>GRG</u>	<u>4</u>		<u>GRG</u>	
SEP				
WJ				
EG				
YP				
RD				
FILE	<u>102-1/12.01</u>			



Ph: (250) 952-0475

August 2, 2006

File: M-200  
14675-35-04

Mr. Howard Bradley  
Mine Manager  
Mount Polley Mining Corporation  
P.O. Box 12  
Likely, B.C. V0L 1N0

Dear Mr. Bradley:

Re: Amendment to Permit M-200  
Approving Change of Name and Deletion of Requirement to Monitor Blasting and  
Approving Tailings Storage Facility Stage 5 Construction

Your amended permits approving the Work System are enclosed. Your attention is drawn to the conditions, which are an integral part of your permit.

Please attach these amendments to your permit.

Yours very truly,

F.W. Hermann, P.Eng.  
Chief Inspector of Mines

:ch  
Encl.

cc: Bob Lane, Prince George

PROVINCE OF BRITISH COLUMBIA  
MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

PERMIT

APPROVING WORK SYSTEM AND RECLAMATION PROGRAM

(Issued pursuant to Section 10 of the *Mines Act* R.S.B.C. 1996, c. 293)

Permit: M-200

Issued to: Mount Polley Mining Corporation  
P.O. Box 12  
Likely, British Columbia  
V0L 1N0

for work located at the:

Mount Polley Mine

This permit contains the following sub-sections:

Issue Date

Permit

August 3, 1995

Approving Work System

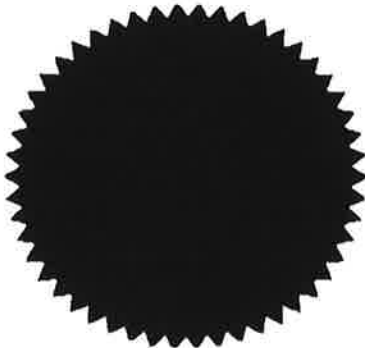
July 11, 1997

Amended Reclamation Permit, Approval to Construct  
Open Pits and Waste Dumps and Traffic Control Plan

Amendments

As listed on page 2

Amended at Victoria, British Columbia this 2nd day of August in the year 2006.



F.W. Hermann, P.Eng.  
Chief Inspector of Mines

Mount Polley Mining Corporation, Mount Polley Mine  
Permit Approving Work System and Reclamation Program  
Page 2 of 2

Permit No. M-200

Date: August 2, 2006

**Amendments**

June 13, 1996	Name Change
September 23, 1996	Approval to Construct Tailings Storage Facility to Elevation 934m
July 11, 1997	Amended Reclamation Permit, Approval to Construct Open Pits and Waste Dumps, and Traffic Control Plan
April 7, 1998	Approval to Construct Tailings Storage Facility to Elevation 940 metres
June 13, 2000	Approval to Construct Tailings Storage Facility to Elevation 944 metres
August 2, 2000	Approving Tailings Storage Facility and Amended Metal Leaching and Acid Rock Drainage Conditions
May 30, 2001	Approval to Construct Tailings Storage Facility to Elevation 945 metres
February 16, 2004	Approving Milling of Ore and Tailings Deposition from the International Wayside Bulk Sample
November 1, 2004	Approving Mining and Reclamation Program for the Northeast Zone and Approving Mine Restart
May 25, 2005	Approving Tailings Storage Facility Stage 4 Construction
August 2, 2005	Approving Haulage Road Construction From Northeast Zone to TSF
November 24, 2005	Approving Mining of Southeast Zone
August 2, 2006	Approving Change of Name and Deletion of Requirement to Monitor Blasting
August 2, 2006	Approving Tailings Storage Facility Stage 5 Construction

**AMENDMENT TO PERMIT  
APPROVING CHANGE OF NAME AND  
DELETION OF REQUIREMENT TO MONITOR BLASTING**

**Permit: M-200**

**Issued to: Mount Polley Mining Corporation  
P.O. Box 12  
Likely, British Columbia  
V0L 1N0**

for work located at the:

**Mount Polley Mine**

Amended at Victoria, British Columbia this 2nd day of August in the year 2006.

  
F.W. Hermann, P.Eng.  
Chief Inspector of Mines

**PREAMBLE**

A letter of application dated January 16, 2006 requesting a change of name to the permit was filed with the Chief Inspector of Mines (Chief Inspector) on January 23, 2006. As well, a letter of application dated February 6, 2006 entitled "Variance Request for Section 1,2,3 (Health and Safety) M-200, Permit Northeast Zone" was filed on February 10, 2006 in accordance with Section 10(6) of the *Mines Act*.

**CONDITIONS**

The Chief Inspector hereby approves these applications subject to compliance with the following terms and conditions:

Mount Polley Mining Corporation, Mount Polley Mine  
Permit No. M-200  
Permit Approving Change of Name and Deletion of Requirement to Monitor Blasting  
Page 2 of 2  
Date: August 2, 2006

### General

1. Compliance with *Mines Act* and Code

All work shall be in compliance with all sections and parts of the *Mines Act* and Health, Safety and Reclamation Code for Mines in British Columbia (Code) and the owner, agent or manager (herein called the Permittee) shall obey all orders issued by the Chief Inspector or his delegate.

2. Departure from Approval

The Permittee shall notify the Chief Inspector and the district Inspector of Mines in writing of any intention to depart from either the plan of the work system or the program for the protection and reclamation of the surface of the land and watercourses to any substantial degree, and shall not proceed to implement the proposed changes without the written authorization of the Chief Inspector.

### Health and Safety

1. Monitoring

Conditions 1, 2 and 3 of permit M-200 amended November 1, 2004 are hereby deleted.

All other terms and conditions of the permit remain the same.

**AMENDMENT TO PERMIT  
APPROVING TAILINGS STORAGE FACILITY  
STAGE 5 CONSTRUCTION**

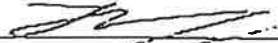
**Permit: M-200**

**Issued to: Mount Polley Mining Corporation  
P.O. Box 12  
Likely, British Columbia  
V0L 1N0**

for work located at the:

**Mount Polley Mine**

Amended at Victoria, British Columbia this 2nd day of August in the year 2006.

  
\_\_\_\_\_  
F.W. Hermann, P.Eng.  
Chief Inspector of Mines

**PREAMBLE**

An application dated June 12, 2006 including a report and plan of the work system entitled "Mount Polley Mining Corporation, Mount Polley Mine, Stage 5 Design of the Tailings Storage Facility" by Knight Piesold Limited was filed with the Chief Inspector of Mines (Chief Inspector) on June 23, 2006 in accordance with Section 10(6) of the *Mines Act*.

**CONDITIONS**

The Chief Inspector hereby approves the application subject to compliance with the following terms and conditions:

Mount Polley Mining Corporation, Mount Polley Mine  
Permit Approving Tailings Storage Facility Stage 5 Construction  
Page 2 of 3

Permit No. M-200

Date: August 2, 2006

### General

1. Compliance with *Mines Act* and Code

All work shall be in compliance with all sections and parts of the *Mines Act* and Health, Safety and Reclamation Code for Mines in British Columbia (Code) and the owner, agent or manager (herein called the Permittee) shall obey all orders issued by the Chief Inspector or his delegate.

2. Departure from Approval

The Permittee shall notify the Chief Inspector and the district Inspector of Mines in writing of any intention to depart from either the plan of the work system or the program for the protection and reclamation of the surface of the land and watercourses to any substantial degree, and shall not proceed to implement the proposed changes without the written authorization of the Chief Inspector.

### Geotechnical

1. General

The Permittee shall obtain the necessary permits and licences for water discharge and water diversion from the Ministry of Environment.

2. Construction

- (a) Construction of the Stage 5 dam raise to elevation 951 m shall be in accordance with design and construction specifications provided by the design consultant.
- (b) Foundation drains, toe drains and associated water collection and recycle systems shall be extended or installed as specified by the design consultant.

3. Operation

- (a) The tailings storage facility shall be operated in accordance with the Operation, Maintenance and Surveillance (OMS) manual.
- (b) The tailings pond shall be operated with a minimum freeboard of 1.39 m.



Mount Polley Mining Corporation, Mount Polley Mine  
Permit Approving Tailings Storage Facility Stage 5 Construction

Permit No. M-200

Page 3 of 3

Date: August 2, 2006

4. Monitoring

- (a) The inclinometers installed through the lacustrine unit downstream of the Main Embankment shall be monitored to determine possible deflection with respect to the baseline survey using a standard inclinometer probe.
- (b) Monitoring of piezometers, slope inclinometers and survey monuments shall be carried out in accordance with the OMS manual or as specified by the design consultant.
- (c) Any damage to piezometer cables from construction activities shall be repaired or replaced in a prompt fashion to allow ongoing assessment of piezometric levels as specified by the design consultant.

5. Reporting

- (a) An as-built report shall be submitted within six months of completion of Stage 5 construction.
- (b) An annual dam safety inspection report shall be prepared and to be submitted by July 31, 2007.
- (c) A formal dam safety review shall be completed in 2006 and at an interval of 7 years based on the high consequence classification.