

Carr, Chris A EMPR:EX

MP00146

From: Nick D. Rose [nrose@piteau.com]
Sent: July 26, 2006 11:44 AM
To: Carr, Chris A EMPR:EX
Subject: Mt. Polley Permit Conditions for TSF Stage 5 Construction
Attachments: Mt Polley TSF Stage 5 Permit Conditions - Draft.doc

Chris:

Please find the attached draft permit conditions for the Mt. Polley TSF Stage 5 permit application for construction to the 951 m El. I have reviewed the Knight Piesold report and found the application to be straight forward, with two items identified, as listed below. I used the Stage 4 permit as a basis for the Stage 5 permit conditions. Conditions were added under Monitoring (a) and (c) to account for the following:

- No piezometer data was collected between September 22, 2005 and April 2006 due to a malfunctioning readout box cable and accidental destruction of piezometer cables during Stage 4 construction.
- Inclinometers installed through the lacustrine unit downstream of the Main Embankment were read in March 2006, October 2004 and the original baseline reading was taken in 2001. Slip indicator or "poor boy" surveys are currently taken during construction. As we discussed during my visit to Victoria earlier in the month, the inclinometers should be read with a standard inclinometer probe to be able to accurately assess potential for deflection of the inclinometer casing.

I received a call from Ron Martel yesterday. He was inquiring about the last year's permit application including a KP design report to the ultimate elevation of 965 m. My recollection of your and my discussions on that was that KP had not provided construction specifications to ultimate, only for Stage 4. If the KP report was worded such that the annual monitoring and construction specifications for each remaining stage are the same, and that any modifications to the design would be defined, could a permit to ultimate be developed with conditions stating that any changes to the design would have to be submitted for approval as an amendment to the permit?

Cheers,

Nick

Nick D. Rose, P.Eng.
Piteau Associates Engineering Ltd.
215-260 West Esplanade
North Vancouver, B.C.
CANADA, V7M 3G7
Tel: (604) 986-8551
Fax: (604) 985-7286

26/07/2006

Mount Polley Holding Company Limited
Permit Conditions for M-200 Amendment for Tailings Storage Facility Stage 5 Construction
July 26, 2006

The following document was submitted in support of the application:

A report entitled "Mount Polley Mining Corporation, Mount Polley Mine, Stage 5 Design of the Tailings Storage Facility", dated June 12, 2006 by Knight Piesold Limited.

Geotechnical

General:

The Permittee shall obtain the necessary permits and licenses for water discharge and water diversion from the Ministry of Water, Land and Air Pollution and Land and Water British Columbia Inc.

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.

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 1.39m.

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.

Reporting:

- (a) An as-built report shall be submitted within six months of completion of Stage 5 construction.

- DRAFT -

- (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.