

PROVINCE OF BRITISH COLUMBIA
MINISTRY OF ENERGY AND MINES

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**

Mine No. 1101163

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

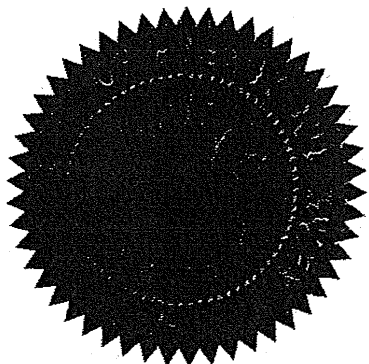
July 11, 1997

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 9th Day of August in the year 2013.



Al Hoffman, P.Eng.
Chief Inspector of Mines

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
March 29, 2007	Approving Northeast Zone Dump Extension
March 29, 2007	Approving Copper Oxide Test Heap Leach Facility
August 31, 2007	Approving Boundary Road
December 5, 2007	Approving Wight Pit High Wall Rehabilitation
February 19, 2008	Permit Approving Tailings Storage Facility Stage 6 Construction
March 6, 2008	Approving Transfer of Road Use, Maintenance and Reclamation Obligations
July 8, 2009	Permit Approving the Pond Zone
August 15, 2011	Approving Mining of the C2 and Boundary zone pits
June 29, 2012	Approving Tailings Storage Facility Stage 8 Construction
October 15, 2012	Approving Tailings Storage Facility Stage 8A Construction
March 25, 2013	Approving Boundary Zone Underground
April 22, 2013	Approving Processing of 15000 Tonnes of Ore from Dome Mountain
July 25, 2013	Approving Northwest PAG Dump Expansion and South Haul Road

August 9, 2013

Approving Tailings Storage Facility Stage 9 Construction

**PERMIT AMENDMENT
APPROVING TAILINGS STORAGE FACILITY
STAGE 9 CONSTRUCTION**

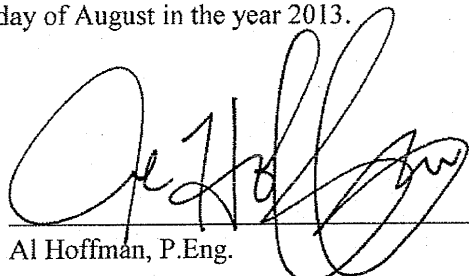
Permit: **M-200**

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 9th day of August in the year 2013.



Al Hoffman, P.Eng.
Chief Inspector of Mines

PREAMBLE

An application to construct the Stage 9 dam raise on the TSF was submitted to the Chief Inspector of Mines (Chief Inspector) in accordance with Section 10(6) of the *Mines Act* on April 18, 2013.

The following documents were submitted in support of the application:

- AMEC Environmental & Infrastructure report entitled "Tailings Storage Facility – Stage 9 2013 Construction Monitoring Manual," dated April 11, 2013. (MP00045)
- 2013 OMS Manual, submitted by Mount Polley Mining Corporation on July 29, 2013 (MP00046)
- 2013 Site Water Balance, submitted by Mount Polley Mining Corporation on May 21, 2013 (MP00228)

CONDITIONS

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

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

- (a) The stage 9 dam raise to elevation 970.0 m is approved and the Permittee shall ensure construction is carried out in accordance with the design and specifications provided by the design consultant.
- (b) An as-built report with drawings shall be submitted to the Chief Inspector within 6 months of dam construction. The as-built report shall be sealed by a professional engineer and shall include a statement indicating that the facility was constructed in "general conformance with the design". A complete set of as-built drawings shall be kept at the mine site at all times and be provided to any Mines Inspector upon request.

All other terms and conditions remain the same.

PROVINCE OF BRITISH COLUMBIA
MINISTRY OF ENERGY, MINES AND NATURAL GAS

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**

Mine No. 1101163

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

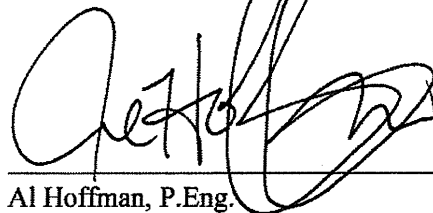
July 11, 1997

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 15th day of October in the year 2012.



Al Hoffman, P.Eng.
Chief Inspector of Mines

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
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March 29, 2007	Approving Copper Oxide Test Heap Leach Facility
August 31, 2007	Approving Boundary Road
December 5, 2007	Approving Wight Pit High Wall Rehabilitation
February 19, 2008	Permit Approving Tailings Storage Facility Stage 6 Construction
March 6, 2008	Approving Transfer of Road Use, Maintenance and Reclamation Obligations
July 8, 2009	Permit Approving the Pond Zone
August 15, 2011	Approving Mining of the C2 and Boundary zone pits
June 29, 2012	Approving Tailings Storage Facility Stage 8 Construction
October 15, 2012	Approving Tailings Storage Facility Stage 8A Construction

**PERMIT AMENDMENT
APPROVING TAILINGS STORAGE FACILITY
STAGE 8A CONSTRUCTION**

Permit: **M-200**

Mine No. 1101163

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 15th day of October in the year 2012.

ORIGINAL SIGNED BY.

Al Hoffman, P.Eng.

Chief Inspector of Mines

PREAMBLE

An application for an amendment to permit M-200 entitled, "Mount Polley Mine – 2012 Tailings Construction," dated April 3, 2012, was submitted to the Chief Inspector of Mines (Chief Inspector) in accordance with Section 10(6) of the *Mines Act*. A permit amendment was issued in response to this application on June 29, 2012 to permit a dam raise to the 963.5m elevation, in what was called the Stage 8 Raise. On September 18, 2012, an application was submitted to amend the permit to allow 2012 construction to the 965m elevation, which is referred to as the Stage 8A Raise.

The following report was submitted in support of the original (Stage 8) application:

Date: October 15, 2012

- A report by AMEC Environmental & Infrastructure entitled "Tailings Storage Facility – Stage 8 2012 Construction Monitoring Manual," and dated March 30, 2012.

(MP00040)

The following report was submitted in support of the amended (Stage 8A) application:

- A letter report by AMEC Environmental & Infrastructure entitled "2012 Stage 8A Tailings Storage Facility Construction Drawings and Stability Analyses for Embankment Raise to El. 965 m," and dated September 10, 2012.

(MP00042)

Both reports are considered necessary to support the Stage 8A application.

CONDITIONS

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

A. 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 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.

B. Geotechnical

1. General

- (a) The stage 8A dam raise to elevation 965 m shall be constructed in accordance with the design and specifications provided by the design consultant.

All other terms and conditions remain the same.

PROVINCE OF BRITISH COLUMBIA
MINISTRY OF ENERGY AND MINES

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**

Mine No. 1101163

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P.O. Box 12
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Mount Polley Mine

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Permit

August 3, 1995

Approving Work System

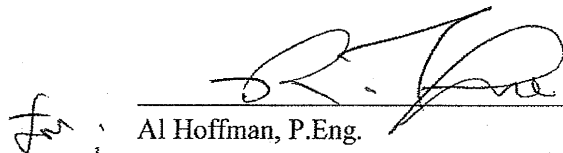
July 11, 1997

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 29th day of June in the year 2012.


for : Al Hoffman, P.Eng.
Chief Inspector of Mines

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
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March 6, 2008	Approving Transfer of Road Use, Maintenance and Reclamation Obligations
July 8, 2009	Permit Approving the Pond Zone
August 15, 2011	Approving Mining of the C2 and Boundary zone pits
June 29, 2012	Approving Tailings Storage Facility Stage 8 Construction

**PERMIT AMENDMENT
APPROVING TAILINGS STORAGE FACILITY
STAGE 8 CONSTRUCTION**

Permit: **M-200**

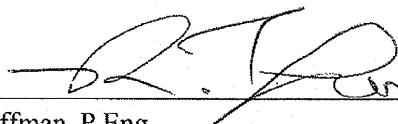
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Issued to: **Mount Polley Mining Corporation
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V0L 1N0**

for work located at the:

Mount Polley Mine

Amended at Victoria, British Columbia this 29th day of June in the year 2012.


for : Al Hoffman, P.Eng.
Chief Inspector of Mines

PREAMBLE

An application for an amendment to permit M-200 entitled, "Mount Polley Mine – 2012 Tailings Construction," dated April 3, 2012, was submitted to the Chief Inspector of Mines (Chief Inspector) in accordance with Section 10(6) of the *Mines Act*.

The following report was submitted in support of the application:

- A report by AMEC Environmental & Infrastructure entitled "Tailings Storage Facility – Stage 8 2012 Construction Monitoring Manual," and dated March 30, 2012. (MP000040)

CONDITIONS

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

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 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

- (a) The stage 8 dam raise to elevation 963.5 m shall be constructed in accordance with the design and specifications provided by the design consultant.
- (b) The Operation, Maintenance and Surveillance manual shall be updated in 2012 as recommended in the 2011 As-Built report.
- (c) A comprehensive review and update of the site water balance shall be completed and referenced in the 2012 Construction As-Built and Annual Review, which is to be submitted to the Chief Inspector no later than March 31, 2013.
- (d) Toe drain flows shall be measured and recorded per requirements described in the OMS Manual. This information shall be referenced in the 2012 Annual Report.

All other terms and conditions remain the same.

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**

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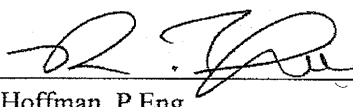
Amended Reclamation Permit, Approval to Construct
Open Pits and Waste Dumps and Traffic Control Plan

Amendments

As listed on page 2

Amended at Victoria, British Columbia this 15day of August in the year 2011.

for :



Al Hoffman, P.Eng.
Chief Inspector of Mines

Amendments

June 13, 1996	Name Change
September 23, 1996	Approval to Construct Tailings Storage Facility to Elevation 934m
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February 19, 2008	Permit Approving Tailings Storage Facility Stage 6 Construction
March 6, 2008	Approving Transfer of Road Use, Maintenance and Reclamation Obligations
July 8, 2009	Permit Approving the Pond Zone
August 15, 2011	Approving Mining of the C2 and Boundary zone pits

AMENDMENT TO PERMIT

APPROVING MINING OF THE C2 AND BOUNDARY ZONE PITS

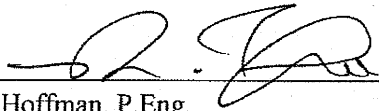
Permit: **M-200**

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

for work located at the:

Mount Polley Mine

Amended at Victoria, British Columbia this 15th day of August in the year 2011.


for : Al Hoffman, P.Eng.
Chief Inspector of Mines

PREAMBLE

An application for an amendment of Permit M-200, entitled "Mine Permit Amendment Application" dated November 1, 2010 was filed with the Chief Inspector of Mines (Chief Inspector) on November 9, 2010 in accordance with Section 10(6) of the *Mines Act*. (MP00229)

A series of reports forming a revised permit amendment application required by the Chief Inspector were also filed with the Chief Inspector and form part of the application, as follows:

- "Revised Mine Permit Amendment Application", dated November 1, 2010, by Mount Polley Mining Corporation.
- Mount Polley Mining Corporation – "Item 1 – Tailings Storage Facility Calculation", undated, submitted December 22, 2010. (MP00052)
- "A Review of the Stability of the Proposed Southeast Waste Rock Dump", by Golder Associates, dated December 23, 2010, by Mount Polley Mining Corporation.
- "Technical Memorandum on Field and Laboratory Investigations (for West Dumps)", by Golder Associates, dated December 1, 2010, by Mount Polley Mining Corporation.
- Mount Polley Mining Corporation – "ABA Sampling Procedure", undated, December 22, 2010.
- Mount Polley Mining Corporation – "Mount Polley Water Balance 2010 Update. (MP00052)
- Mount Polley Mining Corporation – "Permit Conditions Response", undated, December 22, 2010. (MP00052)
- Mount Polley Mining Corporation – "Detailed Site Plan" undated, December
- Mount Polley Mining Corporation (email response) – "RE: Permit amendment application – geochem questions", received May 5, 2011.
- Mount Polley Mining Corporation (email response) – "FW: Permit Amendment 5 questions", received May 12, 2011.

* *Note: this amendment also approved. Stage 7 dam raise (MP00039)*
This permit contains the requirements of the Ministry of Energy and Mines. It also is compatible, to the extent possible, with the requirements of other provincial ministries. The amount of security required by this permit and the manner to which this security may be applied, will also reflect the requirements of those ministries. However, nothing in this permit limits the authority of other provincial ministries to set other conditions, or to act independently, under their respective permits and legislation.

Decisions made pursuant to this amendment by staff of the Ministry of Energy and Mines will be made in consultation with other provincial ministries and federal departments and agencies, within reasonable timeframes. Where these decisions directly affect the Ministry of Environment, Ministry of Forests Lands and Natural Resource Operations, all decisions will be made in concurrence with the appropriate Manager or Director.

The mine is located in the asserted traditional territory of the Williams Lake Indian Band and Xats'ull First Nation. The mine is located in the Zone A designation of the Tsilhqot'in Framework Agreement.

CONDITIONS

The Chief Inspector approves the application to mine the C2 and Boundary zone pits, construct the Southeast Rock Disposal Site and temporary West PAG stockpile, construct the south haul road, and complete the tailings dam raise to 906.5m elevation in compliance with the following terms and conditions:

A. General

1. Compliance with Mines Act and Code

All work shall be in compliance with all sections and parts of the **Mines Act** and 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 regional Inspector of Mines (Mines Inspector) 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.

3. Mineral Tenures

Development, including surface disturbance and works, encompassing approximately 921.34 ha held by Mount Polley Mining Corporation (Figure 1) is authorized under the M-200 permit.

4. First Nations

The Permittee shall notify the First Nations of the availability of all material reports relevant to the M-200 permit, including annual monitoring reports and material changes to the approved Reclamation Plan. The Permittee shall, submit to the First Nations copies of these reports, unless otherwise directed by the First Nations.

5. Traditional Use Assessment

Within one year of issuance of this permit amendment, the Permittee shall have completed a Traditional Use Overview Study over the Mount Polley permit area. This study shall be designed and implemented in consultation with the Williams Lake Indian

Band and Xats'ull First Nation. A copy of the assessment shall be provided to the Chief Inspector and to the Williams Lake Indian Band and Xats'ull First Nation.

B. Geotechnical

1. C2 and Boundary Zone Pits

(a) Design

The Permittee shall submit to the Chief Inspector the pit slope design report for the C2 Pit and Boundary Zone Pit for review prior to pit development.

2. Southeast Rock Disposal Site (SERDS)

(a) Design

The design for the Southeast Rock Disposal site is approved.

(b) Construction

(i) The Permittee shall ensure the foundation preparation is completed in accordance with the design requirements.

(ii) The Permittee shall ensure areas of fine-grained soft sediments located on the south side of the dump be removed or pre-loaded with 15 m high lifts prior to construction.

(iii) The Permittee shall ensure mine access roads, haul roads or buildings not be constructed at the toe of the dump within the area of potential dump failure runout or boulder rollout without prior approval of a variance from the Chief Inspector.

(iv) The dump shall be resloped to 2:1 at closure.

(c) Monitoring

(i) The Permittee shall monitor the waste dump slopes in accordance with the Standard Waste Dump Operating procedures. A copy of the procedures shall be forwarded to the Chief Inspector prior to dump construction.

- (ii) The Permittee shall install wireline extensometers in areas where excessive cracking near the dump crest is observed during dump construction. Dumping shall be suspended if the movement rate exceeds 600 mm/day.

3. Temporary PAG Waste Rock Dump

(a) Design

The Permittee shall modified the design to avoid construction on the steep terrain (15 to 20°+) located along the west side of the proposed dump. The limit for the dump toe is shown on Figure 5 of the Technical Memorandum issued by Golder Associated, dated May 12, 2011.

(b) Construction

- (i) The Permittee shall ensure the foundation preparation is completed in accordance with the design requirements.
- (ii) Dump construction over areas of soft soils located in the north part of the dump shall be controlled by advancing the crest along the full width of the dump platform to reduce the development of excess pore water pressure in the foundation soil.
- (iii) The Permittee shall ensure mine access roads, haul roads or buildings not be constructed at the toe of the dump within the area of potential dump failure runout or boulder rollout without prior approval of a variance from the Chief Inspector.

(c) Monitoring

- (i) The Permittee shall monitor the waste dump slopes in accordance with the Standard Waste Dump Operating procedures. A copy of the procedures shall be forwarded to the Chief Inspector prior to dump construction.
- (ii) The Permittee shall install wireline extensometers in areas where excessive cracking near the dump crest is observed during dump construction. Dumping shall be suspended if the movement rate exceeds 600 mm/day.

4. Tailings Storage Facility

(a) Design

The design raise to 960.5 m elevation is approved.

(b) Construction

- i. The embankment dam shall be constructed in accordance with the design prepared by the design consultant.
- ii. Potentially acid generating rock shall not be used in dam construction.
- iii. Cobbles and boulders larger than 100 mm diameter shall be selectively removed from the till during construction of the central core zone.
- iv. The design consultant shall provide supervision during construction to ensure that the construction specifications are followed.

(c) Operation

- i. The Operation, Maintenance and Surveillance (OMS) manual shall be updated as necessary to include revised monitoring criteria, including piezometer and slope inclinometer thresholds.
- ii. A minimum water level freeboard of 1.30 m shall be maintained at all times.

(d) Monitoring

- i. The tailings facility and embankment dam shall be monitored in accordance with the updated OMS manual.
- ii. Damaged or inoperative geotechnical instrumentation including piezometers and slope inclinometers shall be repaired or replaced to ensure ongoing performance monitoring.

(e) Reporting

- i. An as-built report shall be submitted within 6 months of dam construction.

- ii. An annual dam safety inspection report shall be submitted to the Chief Inspector.

C. Protection of the Land and Watercourses

1. Metal Leaching and Acid Rock Drainage (ML/ARD)

(a) General

- (i) All materials with the potential to generate ML/ARD shall be placed in a manner that minimizes the production and release of metals and contaminants to levels that assure long-term protection of environmental quality.
- (ii) All plans for the prediction, and if necessary, the prevention, mitigation and management of metal leaching and acid rock drainage shall be prepared in accordance with the *Guidelines for Metal Leaching and Acid Rock Drainage at Minesites in British Columbia*.

(b) MLARD Material Monitoring Characterization and Management Program

- (i) The modified ABA sampling guidelines are approved. The Permittee may implement the change from analyzing composite samples to analyzing single samples.
- (ii) The Permittee shall continue to refine predictive testwork to remove uncertainty around the geochemical performance of materials under field conditions and use this information to update effluent quality predictions.

(c) Characterization of Materials from the C2 and Boundary zone pits

Waste rock with a NPR ($\text{NPR} = \text{NP}_{\text{TIC}}/\text{AP}$) less than 2.0 is considered potentially acid generating (PAG).

(d) Disposal of PAG Waste Material

- (i) Approved permanent disposal locations for PAG waste rock are below the flooded elevation in the Caribou, Wight and Southeast Zone pits.
- (ii) Seepage from the temporary west PAG stockpile shall be monitored for the on-set of acidic weathering. The monitoring program shall be

capable of detecting the onset of significant metal leaching and provide early warning about the onset of ARD. If an early onset of metal leaching or ARD is detected, , the Permittee shall moved to the waste rock to an approved disposal location for PAG rock.

(iii) Materials with potential for ARD shall not be used for construction.

(e) Material Inventory

The Permittee shall maintain a current inventory of the deposition locations of waste materials placed in the Caribou pit, Wight pit, Southeast zone pit, Southeast waste rock dump and temporary west PAG stockpile. Required information shall include type of material, from which pit and where within that pit the material is from, tonnes of material deposited, deposition period, location within the dump and relevant geological and ML/ARD characterization data.

2. Collection Ditches

The Permittee shall conduct and maintain a record of routine monitoring of the North and South drainage ditches to ensure that seepage is adequately managed to prevent contaminant loadings to the receiving environment.

3. Water Quality Monitoring

- (a) The Permittee shall continue monitor and track any changes to drainage chemistry from individual disturbed areas to include the new mine components: temporary west PAG stockpile, waste rock used to buttress the Wight pit high wall and the Southeast waste rock dump. The program shall be capable of detecting significant metal leaching and provide early warning about the onset of ARD or an increase in contaminant loading. Triggers for implementing any mitigation works shall be provided in the MLARD Material Monitoring Characterization and Management Program.
- (b) Seepage from each mine component shall be sampled and analyzed monthly.
- (c) Results of monitoring shall be incorporated into Annual Reclamtion report.

4. West Haul Road Construction

The Permittee shall ensure the 200 m. buffer established under the CCLUP for Bootjack Lake and the Old Growth Management Areas are maintained during the reconstruction of the West Haul Road.

D. Reclamation Program

1. Reclamation and Closure Plan

The Permittee shall submit an updated Reclamation and Closure Plan by October 31, 2012, which describes closure objectives and criteria for each mine component and, providing the current status of the mine plan and reclamation objectives, a compilation and interpretation of all monitoring data including ML/ARD prediction and water quality; closure and maintenance activities; any changes to the reclamation program that affects long-term mitigation; contingency plans; schedule for completion of reclamation works; and, a breakdown of outstanding liabilities and associated costs. The plan shall include a monitoring and mitigation program for elevated metals and acid rock drainage.

2. Reclamation Security

- (a) The Permittee shall cause to be deposited with the Minister of Finance additional security in the amount of Three Million, Nine Hundred and Five Thousand dollars (\$3,905,000.00) bringing the total security for this permit to Seven Million dollars (\$7,000,000.00). The security will be held by the Minister of Finance for the proper performance of the approved program and all the conditions of this permit in a manner satisfactory to the Chief Inspector. The Permittee shall deposit the additional security in accordance with the following installment schedule:

		Total
Balance (as of August 10, 2011)		\$3,095,000.00
Within 30 days of receipt of this permit amendment	\$1,301,667.00	\$4,396,667.00
By March 31, 2012	\$1,301,667.00	\$5,698,334.00
By December 31, 2012	\$1,301,666.00	<u>\$7,000,000.00</u>

- (b) Included in the security, and subject to separate legal agreements, Mount Polley Mining Corporation. has granted to the Province of British Columbia Asset Security, in the case of equipment, to the extent of One Million Three Hundred and Seventy Thousand Five Hundred and Sixty Six dollars and sixty eight cents (\$1,370,566.68).

- (c) The Permittee shall provide an updated market value appraisal on the subject equipment assets to be undertaken by a qualified appraiser by December 31, 2011.
- (d) The Permittee shall conform to all Ministry of Environment approval, license and permit conditions, including the **Environmental Management Act**, Contaminated Sites and Special Waste regulations. The Permittee shall conform to all forest tenure requirements of the Ministry of Forests, Lands and Natural Resource Operations. Should the Permittee not conform to these requirements then all or part of the security may be used to cover the costs of these requirements.
- (e) Over the life of the mine, the security will be adjusted to cover all the costs associated with carrying out the conditions of this permit. Upon application by the Permittee, the amount of security may be reduced if initial mining or development work will create less disturbance and liability.

All other terms and conditions remain the same.

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

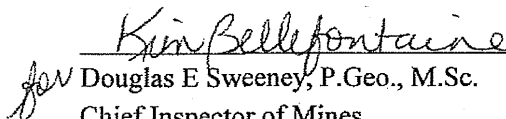
July 11, 1997

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 19th day of February in the year 2008.


for Douglas E Sweeney, P.Geo., M.Sc.
Chief Inspector of Mines

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
March 29, 2007	Approving Northeast Zone Dump Extension
March 29, 2007	Approving Copper Oxide Test Heap Leach Facility
August 31, 2007	Approving Boundary Road
December 5, 2007	Approving Wight Pit High Wall Rehabilitation
February 19, 2008	Permit Approving Tailings Storage Facility Stage 6 Construction

**AMENDMENT TO PERMIT
APPROVING TAILINGS STORAGE FACILITY
STAGE 6 CONSTRUCTION**

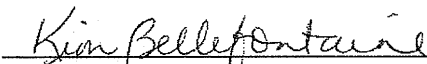
Permit: **M-200**

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 19th day of February in the year 2008.


for Douglas E. Sweeney, P.Geo., M.Sc.
Chief Inspector of Mines

PREAMBLE

An application letter dated July 4, 2007, entitled "Stage 6 Design Report for the Tailings Storage Facility - Mount Polley Mine" by the Mount Polley Mining Corporation was submitted to the Chief Inspector of Mines (Chief Inspector) on July 25, 2007 in accordance with Section 10(6) of the *Mines Act*. The following reports were submitted in support of the application: (MP00226)

- A report by Knight Piésold entitled "Stage 6 TSF Design of the Tailings Storage Facility" dated June 18, 2007. (MP00032)
- A letter from Knight Piésold dated December 19, 2007, entitled "Mount Polley Stage 6 TSF Design". (MP00225)

CONDITIONS

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

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

- (a) The stage 6 dam raise to elevation 958 m and downstream buttress shall be constructed in accordance with the design and specifications provided by the design consultant.
- (b) The Operation, Maintenance and Surveillance manual shall be updated as necessary to include revised monitoring criteria, including piezometer and slope inclinometer thresholds.

All other terms and conditions remain the same.

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

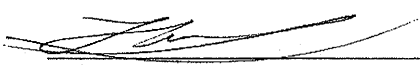
This permit contains the following sub-sections:

<u>Issue Date</u>	<u>Permit</u>
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

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 TAILINGS STORAGE FACILITY
STAGE 5 CONSTRUCTION**


Permit: **M-200**

Issued to: **Mount Polley Mining Corporation
P.O. Box 12
Likely, British Columbia
VOL 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*. (MP000027)

CONDITIONS

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

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.

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.

PROVINCE OF BRITISH COLUMBIA
MINISTRY OF ENERGY AND MINES

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 Holding Company Limited**
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 25th day of May in the year 2005.



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

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

**AMENDMENT TO PERMIT
APPROVING TAILINGS STORAGE FACILITY
STAGE 4 CONSTRUCTION**

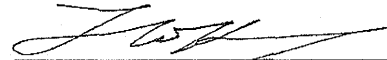
Permit: **M-200**

Issued to: **Mount Polley Holding Company Limited
P.O. Box 12
Likely, British Columbia
VOL 1N0**

for work located at the:

Mount Polley Mine

Amended at Victoria, British Columbia this 25th day of May in the year 2005.



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

PREAMBLE

An application dated March 14, 2005 including a report and plan of the work system entitled "Mount Polley Mining Corporation, Mount Polley Mine, Design of the Tailings Storage Facility to Ultimate Elevation" by Knight Piesold was filed with the Chief Inspector of Mines (Chief Inspector) on March 17, 2005 in accordance with Section 10(6) of the **Mines Act**.

(MP00026)

The following forms part of the application:

Letter from Knight Piesold entitled "Mount Polley Mining Corporation, Mount Polley Mine, Design of the Tailings Storage Facility to Ultimate Elevation" dated April 14, 2005.

(MP00139)

CONDITIONS

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

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 Water, Land and Air Protection and Land and Water British Columbia Inc.

2. Construction

- (a) Construction of the Stage 4 dam raise to elevation 948 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.

4. Monitoring

- (a) Three additional slope inclinometers shall be installed at the Main Embankment.
- (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.

5. Reporting

- (a) An as-built report shall be submitted within six months of completion of Stage 4 construction.
- (b) An annual dam safety inspection report shall be prepared and to be submitted by July 31, 2006.
- (c) A formal dam safety review shall be completed in 2006 and at an interval of 7 years based on the high consequence classification.

PROVINCE OF BRITISH COLUMBIA
MINISTRY OF ENERGY AND MINES

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 Holding Company Limited**
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

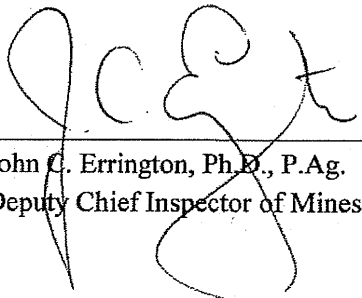
July 11, 1997

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

Amendment

As listed on page 2

Amended at Victoria, British Columbia this 30th day of May in the year 2001.



John C. Errington, Ph.D., P.Ag.
Deputy Chief Inspector of Mines

Amendments

June 13, 1996	Name Change
September 23, 1996	Approval to Construct - Tailings Storage Facility to Elevation 934 metres
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

**AMENDMENT TO PERMIT
APPROVING CONSTRUCTION OF TAILINGS STORAGE FACILITY
TO ELEVATION 945 METRES**

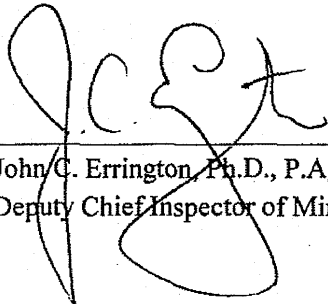
Permit: **M-200**

Issued to: **Mount Polley Holding Company Limited
P.O. Box 12
Likely, British Columbia
V0L 1N0**

for work located at the:

Mount Polley Mine

Amended at Victoria, British Columbia this 30th day of May in the year 2001.



John C. Errington, Ph.D., P.Ag.
Deputy Chief Inspector of Mines

PREAMBLE

An application letter dated April 30, 2001 for an amendment to the conditions of the permit approving the work system entitled "Mt. Polley Tailings Storage Facility Application to Construct to Elevation 945 Metres Amendment to Permit M-200" including Drawings 11162-13-100 Rev. 3, -102 Rev. 3, -104 Rev. 1, -120 Rev. 3, -125 Rev. 3, -127 Rev. 1, -130 Rev. 3, -210 Rev. 4, -215 Rev. 4, -250 Rev. 2, -251 Rev. 2, -254 Rev. 2, -256 Rev. 3, -258 Rev. 2, and -259 Rev. 3 was submitted to the Chief Inspector of Mines on May 16, 2001, in accordance with Part 9.2.1 of the Health, Safety and Reclamation Code for Mines in British Columbia (Code). (MP00122)

Date: May 30, 2001

The following forms part of the application:

- Report entitled, Tailings Cyclone Sands Geochemical Evaluation prepared by Mount Polley Mining Corporation, dated December 2, 1998; (MP00023)
- Report entitled, Tailings Storage Facility, Evaluation of Cycloned Tailings for Embankment Construction prepared by Knight Piésold Ltd., dated June 16, 1999; (MP00013)
- Report entitled, Report on Cycloned Sand Construction of Stage 3 and On-going Stages of the Tailings Storage Facility, Volumes I and II prepared by Knight Piésold Ltd., dated December 13, 1999; (MP00014) (MP00015)
- Report entitled, Tailings Cyclone Sands Geochemical Evaluation Update prepared by Mount Polley Mining Corporation, dated February 2000; (MP00024)
- Report entitled, Addendum to Report on Cycloned Sand Construction of Stage 3 and On-going Stages of the Tailings Storage Facility prepared by Knight Piésold Ltd., dated May 11, 2000. (MP00021)

This permit approves the following:

- Crest Elevation: 945 metres;
- Downstream shell of main, perimeter, and south embankments consisting of rock fill with a transition filter.

CONDITIONS

The Chief Inspector of Mines (Chief Inspector) hereby grants permission to commence work subject to compliance with the following conditions:

General

1. Compliance with Mines Act and Code

All work shall be in compliance with all sections and parts of the **Mines Act** and 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 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. As-Built Report

The Permittee shall submit an as-built report for Stage 3 construction to the Geotechnical Section and District Inspector by December 31, 2001.

2. Monitoring

- (a) Visual and instrumentation monitoring and reporting shall be carried out in accordance with the schedule provided by Knight Piésold Ltd.
- (b) Two slope inclinometers shall be installed in the downstream slope of the main tailings embankment as shown on Drawing 11162-13-250 Rev. 2.

Metal Leaching & Acid Rock Drainage

1. Geochemical Characterization of Zone C

The June 13, 2000 permit conditions for Geochemical Characterization of the Zone C Construction Rockfill for the Tailings Impoundment apply.

PROVINCE OF BRITISH COLUMBIA
MINISTRY OF ENERGY AND MINES

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 Holding Company Limited**
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

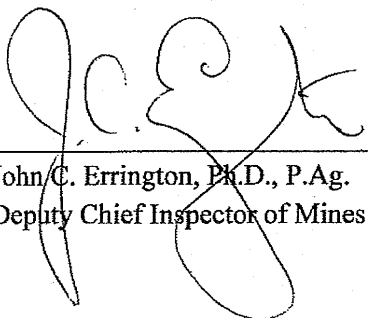
July 11, 1997

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

Amendment

As listed on page 2

Amended at Victoria, British Columbia this 13th day of June in the year 2000.



John C. Errington, Ph.D., P.Ag.
Deputy Chief Inspector of Mines

Amendments

June 13, 1996	Name Change
September 23, 1996	Approval to Construct - Tailings Storage Facility to Elevation 934 metres
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

**AMENDMENT TO PERMIT
APPROVING CONSTRUCTION OF TAILINGS STORAGE FACILITY
TO ELEVATION 944 METRES**

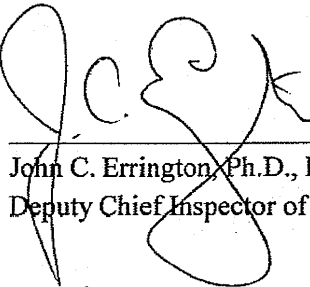
Permit: **M-200**

Issued to: **Mount Polley Holding Company Limited
Box 12
Likely, British Columbia
V0L 1N0**

for work located at the:

Mount Polley Mine

Issued at Victoria, British Columbia this 13th day of June in the year 2000.



John C. Errington, Ph.D., P.Ag.
Deputy Chief Inspector of Mines

PREAMBLE

An application letter dated May 25, 2000 for an amendment to the conditions of the permit approving the work system entitled "Mt. Polley Tailings Storage Facility Application to Construct to Elevation 944 Metres Amendment to Permit M-200" including Drawings 11162-13-210, -215, -130, and 11162-12-120, -125, was submitted to the Chief Inspector of Mines on June 2, 2000, in accordance with Part 9.2.1 of the Health, Safety and Reclamation Code for Mines in British Columbia (Code).

(MP00118)

The following forms part of the application:

- Report entitled, Tailings Cyclone Sands Geochemical Evaluation prepared by Mount Polley Mining Corporation, dated December 2, 1998; (MP000023)
- Report entitled, Tailings Storage Facility, Evaluation of Cycloned Tailings for Embankment Construction prepared by Knight Piésold Ltd., dated June 16, 1999; (MP000013)
- Report entitled, Report on Cycloned Sand Construction of Stage 3 and On-going Stages of the Tailings Storage Facility, Volumes I and II prepared by Knight Piésold Ltd., dated December 13, 1999; (MP000014 and MP000015)
- Report entitled, Tailings Cyclone Sands Geochemical Evaluation Update prepared by Mount Polley Mining Corporation, dated February, 2000; (MP000024)
- Report entitled, Addendum to Report on Cycloned Sand Construction of Stage 3 and On-going Stages of the Tailings Storage Facility prepared by Knight Piésold Ltd., dated May 11, 2000. (MP000021)

The approval is for Stage 3 Design Option 2, as illustrated in Drawings 11162-13-210, -215, -130 and Drawings 11162-12-120, -125, and in the May 11, 2000 Knight Piésold report mentioned above. This permit approves the following:

- Crest Elevation: 944 metres;
- Main Embankment: downstream shell construction and buttress consisting of rock fill;
- Perimeter Embankment: downstream shell construction consisting of cyclone tailings sand hydraulically and mechanically placed;
- South Embankment: core Zone S.

CONDITIONS

The Chief Inspector of Mines (Chief Inspector) hereby approves the application subject to compliance with the following conditions:

General

1. Compliance with Mines Act and Code

All work shall be in compliance with all sections and parts of the **Mines Act** and 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 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. As-Built Report

The Permittee shall submit an as-built report to the Geotechnical Section and District Inspector by March 31, 2001.

2. Operations Manual

The Permittee shall submit an operations manual to the Geotechnical Section and District Inspector for review by July 31, 2000.

3. Sand Fill

This Permit does not approve the use of sand fill for downstream shell construction.

Metal Leaching and Acid Rock Drainage

1. Geochemical Characterization of the Zone C Construction Rockfill for the Tailings Impoundment

- (a) Geochemical characterization of the Zone C construction rockfill shall include both pre-excavation testing of the drill cuttings and after-deposition verification using the less than 2 mm particle size fraction. Drill cuttings shall be sampled at a frequency of no less than one sample for every 50,000 tonnes of material.
- (b) Characterization test work shall include an initial Leco Carbon and Leco Sulphur analysis to confirm the NPR characteristics of the material. If the NPR is less than 2.0, then a full ABA analysis (total sulphur, sulphate and sulphide sulphur, pH, carbonate carbon and NP), shall be conducted. If the material is oxidized, a 24 hour shake flask test shall be conducted to determine solubility.

- (c) An aqua regia extract/AA assay shall be conducted to determine the copper content. If the copper analysis is greater than 180 ppm (2 X background levels), additional testing, including a full ABA analysis, trace elemental scan and 24 hour shake flask test shall be conducted. Results shall be promptly faxed to the Reclamation Inspector in Prince George and the Reclamation Geologist in Victoria for review.
- (d) An external quality assurance/quality control (QA/QC) shall be conducted on every fifth sample analyzed at the mine.
- (e) A mineralogical study shall be performed to determine the copper minerals present.
- (f) Quarried rock fill with an NPR > 2:1 is considered to be non acid generating (NAG) and may be used for downstream dam and dike construction. Quarried rock with an NPR < 2:1 is considered potentially acid generating (PAG) and shall not be used for construction purposes. If the pre-excavation testing indicates significant quantities of the quarried rock is PAG, this material shall not be quarried and other sources of rockfill will need to be located. In the event PAG rock is quarried, it shall be subaqueously deposited into the flooded portion of the tailings impoundment.
- (g) The Permittee shall monitor all seepage originating from the rock fill material to determine the existence or onset of metal leaching or ARD. Samples shall be collected and analyzed monthly and submitted annually in the annual reclamation report.

PROVINCE OF BRITISH COLUMBIA
MINISTRY OF ENERGY AND MINES

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

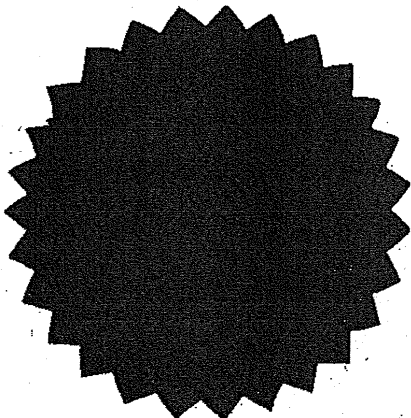
This permit contains the following sub-sections:


<u>Issue Date</u>	<u>Permit</u>
August 3, 1995	Approving Work System
July 11, 1997	Amended Reclamation Permit, Approval to Construct Open Pits and Waste Dumps and Traffic Control Plan

Amendment

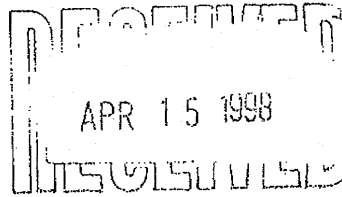
As listed on page 2

Amended at Victoria, British Columbia this 7th day of April in the year 1998.





John C. Errington, Ph.D., P.Ag.
Deputy Chief Inspector of Mines



April 7, 1998

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

File: 14745-40/MTPO/01

Attention: Mr. Don Parsons
Mine Superintendent

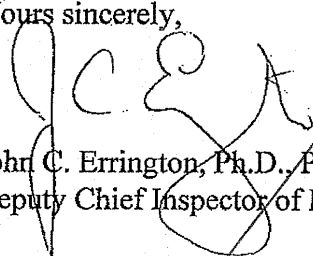
Dear Mr. Parsons:

Re: Approval to Construct - Tailings Facility to Elevation 940 Metres
Amendment to Permit M-200

Your amendment to Permit M-200 was issued by the Deputy Chief Inspector of Mines on April 7, 1998 and is enclosed. Your attention is drawn to the conditions which form an integral part of the permit. Please attach this amendment to your permit.

If you have any questions or concerns, please contact George Headley at (250) 952-0480 in Victoria.

Yours sincerely,


John C. Errington, Ph.D., P.Ag.
Deputy Chief Inspector of Mines

JE/GH/jb
Attachments

cc: B. McBride/E. Beswick, Smithers
Les Bergman, Water Management Branch, MELP

Amendments

June 13, 1996

Name Change

September 23, 1996

Approval to Construct - Tailings Storage Facility
to Elevation 934 metres

April 7, 1998

Approval to Construct - Tailings Storage Facility
to Elevation 940 metres

**AMENDMENT TO PERMIT
APPROVING WORK SYSTEM**

APPROVAL TO CONSTRUCT

TAILINGS FACILITY TO ELEVATION 940 METRES

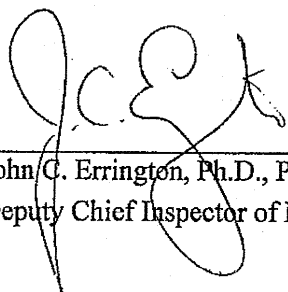
Permit: **M-200**

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

for work located at the:

Mount Polley Mine

Issued at Victoria, British Columbia this 7th day of April in the year 1998.



John C. Errington, Ph.D., P.Ag.
Deputy Chief Inspector of Mines

PREAMBLE

*1998

An application dated March 27, (1997) for an amendment to the conditions of the permit approving the work system was submitted to the Chief Inspector of Mines on April 2, 1998 in accordance with Part 9 Section 9.2.1 of the Health, Safety and Reclamation Code for Mines in British Columbia (Code). (MP00101)

The following reports form part of the application:

.../2

- Report on On-Going Construction Requirements (Ref. No. 10162/9-3) by Knight Piesold Ltd., (MP000008) dated December 2, 1997;
- Operation, Maintenance and Surveillance Manual for Stage Ib Embankment (El. 934m) by Knight Piesold Ltd., dated November 24, 1997;
- Report on Stage Ia/Ib Construction (Ref.No. 10162/7-5) by Knight Piesold Ltd., dated August 14, 1997; (MP000019)

CONDITIONS

The Chief Inspector of Mines (Chief Inspector) hereby approves the Tailings Storage Facility Stages II A, B and C design and construction to elevation 940 metres subject to compliance with the following conditions:

General

1. Compliance with Mines Act and Code

All work shall be in compliance with all sections and parts of the **Mines Act** and 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 in writing of any intention to depart from the plan of the work system to any substantial degree, and shall not proceed to implement the proposed changes without the written authorization of the Chief Inspector.

Work System

1. As-Built Report

The Permittee shall submit to the Chief Inspector an as-built report for tailings dam construction as soon as possible after construction and no later than March 31 of the year following.

2. Temporary Closure

The company shall submit to the Chief Inspector a closure plan within 30 days following a temporary closure. The plan shall include an updated water balance, a design for water discharge (if required to maintain freeboard) and a monitoring and inspection program.

.../3

3. Revised Water Balance

A revised water balance for the tailings facility, using recent precipitation data from the mine site and, if warranted, a contingency plan to handle excess water, shall be submitted as part of the 1998 annual tailings report.

PROVINCE OF BRITISH COLUMBIA
MINISTRY OF EMPLOYMENT AND INVESTMENT

PERMIT

APPROVING WORK SYSTEM AND RECLAMATION PROGRAM

(Issued pursuant to Section 10 of the Mines Act S.B.C. 1989, c. 56)

Permit: M-200

Issued to: Mount Polley Holding Company Limited
420, 355 Burrard Street
Vancouver, B.C.
V6C 2G8

for work located at the:

Mount Polley Mine

This permit contains the following sub-sections:

Issue Date

Permit

August 3, 1995

Approving Work System

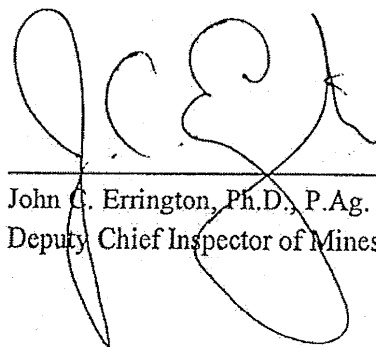
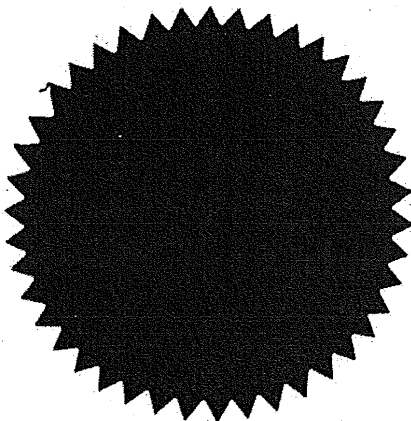
August 3, 1995

Approving Reclamation Program

Amendment

As listed on page 2

Amended at Victoria, British Columbia, this 23rd day of September in the year 1996.



John C. Errington, Ph.D., P.Ag.
Deputy Chief Inspector of Mines



Regional Operations, Health and Safety
4th Floor, 1810 Blanshard Street
Mailing address - PO Box 9323, Stn. Prov. Gov't, Victoria, B.C., V8W 9N3
Phone: (604) 952-0480 Fax: (604) 952-0491

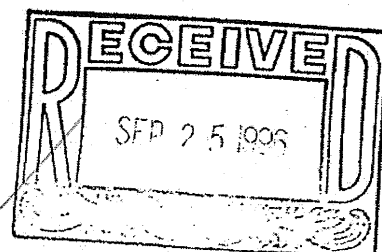
Site

File: 933/5/2/3
Orig. - Freepost

September 23, 1996

File: 14745-40/MTPO/01

Bryan Kynoch
Senior Vice President
Mt. Polley Holding Company Limited
420, 355 Burrard Street
Vancouver, B.C.
V6C 2G8



Dear Mr. Kynoch:

RE: AMENDMENT TO PERMIT M-200

Your amendment to permit M-200 was issued by the Deputy Chief Inspector of Mines September 23, 1996, and is enclosed. Your attention is drawn to the conditions which form an integral part of the permit. Please attach this amendment to your permit.

If you have any questions or concerns, please contact Mr. George Headley at 952-0480, in Victoria.

Yours sincerely,

John C. Errington, Ph.D., P.Ag.
Manager, Reclamation and Permitting

JCE/GH/tl

Attachments

cc: B. McBride/E. Beswick, Smithers
Les Bergman, Dam Safety Br., MELP

Mount Polley Holding Company Limited, Mt. Polley Mine
Approval to Construct Tailings Storage Facility to Elevation 934 Metres
Page 2 of 2

Permit M-200

Date: September 23, 1996

Amendments

September 23, 1996

Approval to Construct - Tailings
Storage Facility to Elevation 934 metres

AMENDMENT TO PERMIT
APPROVING WORK SYSTEM
APPROVAL TO CONSTRUCT
TAILINGS STORAGE FACILITY TO ELEVATION 934 METRES

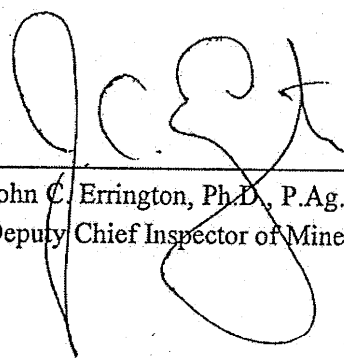
Permit: M-200

Issued to: Mount Polley Holding Company Limited
420, 355 Burrard Street
Vancouver, British Columbia
V6C 2G8

for work located at the:

Mount Polley Mine

Issued at Victoria, British Columbia, this 23rd day of September in the year 1996.



John C. Errington, Ph.D., P.Ag.
Deputy Chief Inspector of Mines

Date: September 23, 1996

PREAMBLE

A letter entitled "Mt Polley Tailings Embankment - Amendment to Systems Work Application" by Imperial Metals Corporation dated September 5, 1996 together with drawings was filed with the Chief Inspector of Mines on September 5, 1996. (MP00084)

The application includes the following:

A letter entitled "Mt Polley Project - Tailings Storage Facility" together with drawings by Knight Piesold Ltd. dated June 14, 1996; (MP00064)

Letter report entitled Borehole Logs for PRW 96-1 to 4 by Knight Piesold, dated July 30, 1996; (MP00068)

Letter report entitled Geotechnical Information Obtained from 1996 Borehole Investigation by Knight Piesold, dated July 26, 1996; (MP00067)

Letter report entitled CPT Investigations @ Main Embankment by Knight Piesold, dated July 30, 1996; (missing) MP00219

Letter report entitled CPT Investigation by Knight Piesold, dated July 29, 1996. (missing) MP00220

CONDITIONS

The Chief Inspector of Mines (Chief Inspector) hereby approves the application and amends condition 3 Tailings Impoundment as follows:

Work System

3. Tailings Impoundment

- c) The Tailing Storage Facility Stage I(b) design revisions and construction to elevation 934 metres are approved. These design revisions include embankments, main embankment chimney drain, foundation drains, basin liner modifications, barge reclaim system, and seepage collection pond. All construction shall be supervised by the design consultant.
- f) The freeboard above the maximum pond operating level shall include one (1) metre for wave run-up and storage for the 24 hour PMP.
- g) The Permittee shall submit to the Chief Inspector an 'as built' report for tailings dam construction as soon as possible after construction and no later than March 31 of the year following. The Permittee shall obtain permission from the Chief Inspector prior to storage of water, tailings, or supernatant within the impoundment.

- j) The main embankment seepage collection pond shall be constructed and operated to ensure stability.
- k) The Bootjack - Morehead Connector road relocation to the seepage collection pond embankment is approved.

All other conditions of Permit M-200 remain the same.

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 S.B.C. 1989, c. 56)

Permit: M-200

Issued to: Imperial Metals Corporation
Suite 700 - 815 West Hastings Street
Vancouver, British Columbia
V6C 1B4

for work located at the:

Mount Polley Mine

This permit contains the following sub-sections:

Issue Date

Permit

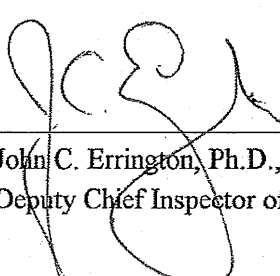
August 3, 1995

Approving Work System

August 3, 1995

Approving Reclamation Program

Issued at Victoria, British Columbia, this 3rd day of August in the year 1995.



John C. Errington, Ph.D., P.Ag.
Deputy Chief Inspector of Mines

PREAMBLE

A report entitled "The Mount Polley Mine Project Interim Reclamation Plan", by Hallam Knight Piesold Ltd., dated March 1995, setting out the general location of the mine and associated facilities, and a program for the protection and reclamation of the surface of the land and watercourses affected by the mine, was filed with the Chief Inspector of Mines on April 6, 1995.

Notice of such filing was published in the Williams Lake Tribune on April 13, 1995 and in the B.C. Gazette on April 12, 1995.

The application was referred to other agencies in accordance with Part 10 Section 10.3 of the Health, Safety and Reclamation Code for Mines in British Columbia (Code).

Subsequently, a report entitled "Mount Polley Access Road Reconnaissance Report", by SNC Fenco Inc., dated April 1995, setting out engineering design particulars of the Mount Polley access road, was filed with the Chief Inspector of Mines on April 13, 1995.

Reports entitled "Tailings Storage Facility Design Report" Volumes I and II and "Tailings Storage Facility Site Inspection Manual, by Knight Piesold Ltd., dated May 26, 1995 were filed with the Chief Inspector of Mines on May 29, 1995. (MP0001, MP00002, MP00003)

All reports comprise the Imperial Metals Corporation (Permittee) application for a permit approving the Mine Plan and Reclamation Program for the Mount Polley Mine, in accordance with Parts 6, 9 and 10 of the Code. The reports are hereby approved subject to the conditions contained in this permit.

This permit contains the requirements of the Ministry of Energy, Mines and Petroleum Resources for reclamation. It is also compatible, to the extent possible, with the requirements of other provincial ministries for reclamation issues. The amount of security required by this permit and the manner to which this security may be applied, will also reflect the requirements of those ministries. However, nothing in this permit limits the authority of other provincial ministries to set other conditions, or to act independently, under their respective permits and legislation.

Decisions made pursuant to this permit by staff of the Ministry of Energy, Mines and Petroleum Resources will be made in consultation with other provincial ministries and federal departments and agencies. Where these decisions directly affect the Ministry of Environment, Lands and Parks, all decisions will be made in concurrence with the appropriate Regional Manager (Environmental Protection, Water Management, or Fish and Wildlife).

CONDITIONS

The Chief Inspector of Mines (Chief Inspector) hereby approves the application, including the general concept of the mine and associated works, and the program for protection and reclamation of the land surface and watercourses affected by the mine subject to compliance by the owner, agent or manager (herein called the Permittee) with the following conditions:

General

1. Compliance with Mines Act and Code

All work shall be in compliance with all sections and parts of the Mines Act and Code, and the Permittee shall obey all orders issued by the Chief Inspector or his delegate.

2. Departure from Approval

The manager shall notify the Chief Inspector and the District Inspector, Mine Health and Safety Branch, in writing of any intention to depart from the mine plan to any substantial degree, and shall not proceed to implement the proposed changes without the written authorization of the Chief Inspector.

Work System

1. General

- (a) The general site arrangement set out in the report is hereby approved.
- (b) Any re-arrangement of surface facilities must receive approval of the Chief Inspector.

2. Plant Site Area

- (a) Soils and overburden stripping in the plant site area is hereby approved subject to the land and watercourse protection and reclamation conditions specified below.
- (b) General arrangement plans for site grading and foundation preparation shall be submitted to the District Inspector, Mine Health and Safety Branch and approved prior to initiation of this work.
- (c) General arrangement plans for structures shall be submitted to the District Inspector, Mine Health and Safety Branch, and approved prior to construction.
- (d) Within 60 days of completion of site facilities, the Permittee shall submit 'as built' drawings to the District Inspector, Mine Health and Safety Branch.

3. Tailings Impoundment

- (a) Clearing and grubbing in the tailings impoundment area is hereby approved subject to the reclamation conditions specified below.
- (b) Soils and overburden stripping in the tailings impoundment area is hereby approved subject to the land and watercourse protection and reclamation conditions specified in Condition 3 below (Identification, Salvage and Use of Suitable Growth Media).
- (c) The Tailing Storage Facility Stage I (b) design and construction program for 1995 and 1996 are approved. Construction of the embankments to elevation 931 metres is approved. All construction shall be supervised by the design consultant.
- (d) Construction of sediment control structures is approved.
- (e) Surface runoff collection and diversion ditches for the facility are approved.
- (f) The freeboard shall include 1 metre for wave run-up and storage for the 24 hour PMP.
- (g) The Permittee shall submit to the Chief Inspector an 'as built' report for tailings dam construction, and obtain permission prior to storage of tailings, supernatant or water within the impoundment.
- (h) An annual tailings dam report shall be submitted by March 31 of each year in a form and containing information required by the Chief Inspector.
- (i) The Permittee shall submit to the Chief Inspector prior to operating the tailings impoundment, an operating manual, including a water management plan, which addresses normal and extreme operating conditions.

4. Pit Areas

- (a) Clearing and grubbing in the Central Pit and North Pit areas is hereby approved subject to the reclamation conditions specified below.
- (b) Soils and overburden stripping in the Central and North Pit areas is hereby approved subject to the land and watercourse protection and reclamation conditions specified below.
- (c) Clearing, grubbing and soils removal in other pit areas may not occur prior to approval of a final Mine Plan and Reclamation Program permit application, to be submitted by March 31, 1996 (1996 Mine Plan and Reclamation Program).

- (d) The Permittee shall submit, at a scale of 1:2000, a site plan and general arrangement of the open pit and waste dump areas to the District Inspector, Mine Health and Safety Branch, and the Chief Inspector. The plan shall indicate areas of stripping, mining, and waste rock dumps; site drainage; and timing of the proposed work.
- (e) The Permittee shall submit a geotechnical design report and mining plan for the open pits and the 1996 Mine Plan and Reclamation Program to the Chief Inspector and obtain approval prior to commencing mining of waste or ore.

5. Waste Dumps

- (a) Clearing and grubbing in the East Dump area is hereby approved subject to the reclamation conditions specified below.
- (b) Soils and overburden stripping in the East Dump area is hereby approved subject to the land and watercourse protection and reclamation conditions specified below. The waste dumps may not be constructed prior to approval of the 1996 Mine Plan and Reclamation Program and reports and plans listed under 'Pit Areas', above.
- (c) Clearing, grubbing and soils removal in other waste dump areas may not occur prior to approval of the 1996 Mine Plan and Reclamation Program.
- (d) The Permittee shall submit a geotechnical design report, dumping plan, and water management plan for the relevant waste dumps to the Chief Inspector and obtain approval prior to commencing dump construction.

Protection of Land and Watercourses

1. Baseline Environmental Studies and Monitoring

- (a) The baseline environmental monitoring program shall be completed to the satisfaction of the Regional Managers, Environmental Protection and Fish and Wildlife, Ministry of Environment, Lands and Parks and the Chief Inspector of Mines. Baseline environmental monitoring programs which could be affected by construction shall be completed prior to additional disturbance beyond the plant site area or as agreed to with the Ministry of Environment, Lands and Parks and the Chief Inspector of Mines. No exceptions shall be made to allow disturbance beyond the plant site area which could impact fish habitat and compromise the monitoring program prior to completion of the baseline environmental monitoring program.
- (b) Existing and projected land capabilities for the specified end land uses shall be mapped and described through additional studies during 1995, and the results presented in the 1996 Mine Plan and Reclamation Program. Projected land capabilities shall be largely based on replaced soil qualities and depths; final slope configurations, and aspects. The mapping shall follow standard provincial and

federal methodologies and include B.C. Ministry of Agriculture, Fisheries and Food Land Capability Classification for Agriculture at a scale of 1:2,000; B.C. Ministry of Environment, Lands and Parks Wildlife Capability Classification at a scale of 1:5,000; and B.C. Ministry of Forests Biogeoclimatic unit mapping at a scale of 1:5,000. Field studies necessary to generate this mapping shall be completed as soon as possible in 1995. The means by which the projected land capabilities will be achieved shall be described in detail in the 1996 Mine and Reclamation Plan.

- (c) A plan for mitigation and/or off-site compensation to address fish habitat alterations in the Edney Creek watershed from tailings and watershed impoundment shall be submitted and approved by the Head, Habitat Management, Department of Fisheries and Oceans and the Regional Manager, Fish and Wildlife, Ministry of Environment, Lands and Parks by December 31, 1995. This shall be followed by a formal habitat compensation agreement with the Department of Fisheries and Oceans prior to any disturbances which would necessitate an authorization under Section 35(2) of the Fisheries Act.
- (d) A monitoring program approved by the Regional Manager, Fish and Wildlife, Ministry of Environment, Lands and Parks shall be designed and implemented to identify impacts of the Mount Polley Mine on recreational angling use of the local fisheries resource. The program shall consist of 20 weekend boat counts on Polley and Bootjack Lakes, and three long weekend interviews on Polley and Bootjack Lakes (slim standards) to assess the effects of the mine development on recreational use. The study will be implemented in 1995, and will continue for four years. Should recreational use decline significantly (greater than 40%) on Polley or Bootjack Lakes, relative to the mean use (1987 - 90, 92, 95), the mine is committed to improve recreational facilities at the affected lake to enhance the recreational fishery and to continue monitoring of angler use.

Should angling success (catch per day/hour) decline significantly on Bootjack or Polley Lakes, the mine and Ministry of Environment, Lands and Parks will cooperatively undertake studies to determine the cause.
- (e) Programs satisfactory to the Regional Manager, Fish and Wildlife, Ministry of Environment, Lands and Parks to monitor gravel quality in lower Hazeltine and Edney Creeks shall be designed and implemented by the Permittee. Baseline gravel quality monitoring information shall be obtained prior to substantial site disturbance.
- (f) A program to assess bird habitat use and species occurrence in the Mount Polley area shall be developed immediately in consultation with Environment Canada and the Ministry of Environment, Lands and Parks, Fish and Wildlife Branch, and shall be initiated prior to clearing in the tailings impoundment area.
- (g) A program to assess wildlife habitat in unlogged portions of the development area and the tailings impoundment area in particular, shall be developed immediately in

consultation with Environment Canada and the Ministry of Environment, Lands and Parks, Fish and Wildlife Branch, and shall be initiated prior to any clearing beyond the plant site. The wildlife habitat assessment shall include a comprehensive list of pre-mine vegetation species.

- (h) A program to monitor wildlife habitat use and species occurrence in the Mount Polley area, specifying frequency of monitoring, shall be developed immediately in consultation with Environment Canada and the Ministry of Environment, Lands and Parks, Fish and Wildlife Branch.

2. Construction Phase Environmental Monitoring

- (a) A detailed environmental monitoring program shall be immediately provided to the Regional Manager, Environmental Protection, Ministry of Environment, Lands and Parks and the Chief Inspector. The program shall include details of how construction activities will be monitored for their impact on the environment, a list of persons responsible for monitoring and their specific responsibilities, details of how the monitors will audit activities with potential environmental impacts and communicate their concerns to the Permittee; the Ministry of Environment, Lands and Parks; and the Ministry of Energy, Mines and Petroleum Resources, and details of the means by which monitors will ensure that design criteria for tailings dams, runoff diversions, collection ditches, and other water management structures are strictly adhered to.
- (b) Impacts to the receiving environment, including effects on suspended sediment levels, shall be prevented during mine construction through appropriate erosion control and other measures as required. A construction schedule and a detailed plan of receiving environment water quality protection during the construction phase, shall be immediately provided to the Regional Manager, Environmental Protection, Ministry of Environment, Lands and Parks.

3. Identification, Salvage and Use of Suitable Growth Media

- (a) All surficial soil identified through soil surveys as being appropriate for plant growth shall be salvaged and stored in a manner acceptable to the Chief Inspector for use in reclamation programs. Soil shall be replaced on all mine facility areas (except the pits) to pre-determined depths and in accordance with the 'Soil Salvage and Stockpile Protocol' developed by the Permittee and as agreed to by the Chief Inspector. Soil replacement must be sufficient to ensure that land use and capability objectives can be achieved.
- (b) Soil surveys, including soil handling plans, shall be submitted to and approved by the Chief Inspector prior to soil removal.

- (c) Detailed plans of soil storage areas, including configurations, cross-sections and volumes of materials stored, and erosion and sediment control measures, shall be submitted in the 1996 Mine Plan and Reclamation Program, and for soil salvage which occurs subsequently, in the applicable Annual Reclamation Report.

4. Metal Uptake in Vegetation

- (a) Vegetation shall be monitored for metal uptake.
- (b) Where harmful metal levels are found, reclamation procedures shall ensure that levels are safe for plant and animal life.
- (c) Study programs into the methods of achieving specific land use objectives shall include a program for evaluation of copper/molybdenum ratios in plants, as well as metal toxicity levels in tailings supernatant and seepage ponds where livestock or wildlife may be exposed to them.

5. Wetland Habitat Compensation

Compensation for loss of wetland habitat shall be provided through replacement with equivalent habitat capability.

Reclamation Program

1. Reclamation Security

- (a) The Permittee shall, prior to soils removal in the plant site area, deposit with the Minister of Finance and Corporate Relations, securities in the amount of \$200,000.00, followed by an amount of \$300,000.00 prior to soils removal in the tailings impoundment area, an additional amount of \$300,000.00 prior to tailings dam construction, and an amount of \$350,000.00 prior to soils removal in the pit and waste dump areas for a total of \$1,150,000.00. The security will be held by the Minister of Finance and Corporate Relations for the proper performance of the approved program and all the conditions of this permit in a manner satisfactory to the Chief Inspector.
- (b) The security amount will be adjusted based on review of the Mine Plan and Reclamation Program to be submitted by March 31, 1996 and any other relevant information, to cover additional site disturbance between April 1, 1996 and the initiation of mine production. Any additional securities determined to be necessary shall be placed prior to mine production, and shall be based upon an assessment of the actual projected costs of mine reclamation and closure, including the costs of any long-term monitoring and maintenance, long-term impact mitigation strategies, and habitat compensation.

- (c) Beginning on January 1, 1997, and annually thereafter, the security shall be increased at a rate equal to the previous year's annual increase in the British Columbia Consumer Price Index.

2. Annual Reclamation Report

Beginning in 1997, an annual reclamation report shall be submitted by March 31 of each year in a form and containing the information required by the Chief Inspector.

3. Land Use

The surface of the land and watercourses shall be reclaimed to end land uses to be specified in the Mine Plan and Reclamation Program permit application submitted in 1996. The plan shall include a map identifying proposed end land uses for each area, a list of target wildlife species for areas where wildlife use is proposed, and a detailed description of the means by which end land use objectives will be achieved.

4. Land Capability

The level of land capability, and the percentage of land in a given capability class to be achieved on reclaimed areas, shall not be less than existed prior to mining on an average property basis, unless the Permittee can provide evidence which demonstrates to the satisfaction of the Chief Inspector the impracticality of doing so.

5. Long-term Stability

Land and watercourses shall be left in a stable condition. To ensure long-term stability, engineered structures including waste dumps, major haul and access roads, and the tailings impoundment shall be designed in accordance with Part 9 of the Code.

6. Revegetation

Land shall be revegetated to a self-sustaining state using plant species appropriate to the local area and the end land uses.

7. Treatment of Structures and Equipment

Prior to abandonment, and unless the Chief Inspector has made a ruling otherwise, such as heritage project consideration or industrial use,

- (a) All machinery, equipment and building superstructures shall be removed;
- (b) Concrete foundations shall be covered and revegetated unless, because of demonstrated impracticality, they have been exempted by the Inspector; and
- (c) All scrap material shall be disposed of in a manner acceptable to the Inspector.

8. Waste Rock Dumps

- (a) Waste dumps shall be reclaimed to ensure:
 - (1) long-term stability;
 - (2) long-term erosion control;
 - (3) quality of any water released from waste rock dumps to the receiving environment is of a standard acceptable to the Inspector; and
 - (4) land use and capability objectives are achieved.
- (b) Final waste rock dump slopes shall not exceed 26.5° (2:1). Detailed waste dump plans, including proposed cross-sections of final dump configurations, shall be included in the 1996 Mine Plan and Reclamation Program.
- (c) Due to the heavy recreational use of Bootjack and Polley Lakes, visual impacts and aesthetic values shall be given high priority in waste rock dump planning. Methods of reducing visual impacts and restoring aesthetic values following mine closure are required and shall be described in detail in the 1996 Mine Plan and Reclamation Program.
- (d) Design plans shall be submitted to the Chief Inspector for any proposed rock drains to be constructed in overburden or waste rock dumps, to determine if a detailed geotechnical assessment is required.

9. Watercourses

- (a) Watercourses shall be reclaimed to a condition that ensures:
 - (1) Long-term water quality is maintained to a standard acceptable to the Chief Inspector;
 - (2) Drainage is restored either to original watercourses or to new watercourses which will sustain themselves without maintenance. Reclamation of altered drainages to their original channels is preferred, providing that acceptable water quality can be achieved; and
 - (3) Use and capability objectives are achieved, and the level of capability shall not be less than existed prior to mining unless the Permittee can provide evidence which demonstrates, to the satisfaction of the Chief Inspector, the impracticality of doing so.
- (b) The March 1996 Mine Plan and Reclamation Program permit application shall contain a description of the means by which reclamation of the millsite area will ensure that runoff water re-routed through this area to Bootjack Lake will not be affected by any ground surface contamination resulting from mine operations.

10. Pits

- (a) Pit walls constructed in overburden shall be reclaimed in the same manner as waste rock dumps.
- (b) Revegetation of pit walls constructed in rock is not required. Any water discharged from a pit to the receiving environment must be of a quality acceptable to the Chief Inspector.
- (c) Where the pit floor is free from water, and safely accessible, vegetation shall be established.
- (d) Where the pit floor will impound water and become a watercourse, provision must be made to create a body of water where end use and capability objectives are achieved.

11. Tailings Impoundment

- (a) The tailings impoundment and any other impoundment structures must be reclaimed to end land use(s) approved through review of the 1996 Mine Plan and Reclamation Program.
- (b) Prior to mine closure, a report shall be submitted to the Chief Inspector outlining the post-operational state of all dams, dikes, related seepage control, spillway and water management structures, and post-operational monitoring.
- (c) Permanent spillways shall be designed to a standard required by the Chief Inspector and installed prior to final decommissioning of any permanent impoundment structures.
- (d) The 1996 Mine Plan and Reclamation Program shall describe in detail end land use and capability objective(s) for the tailings impoundment and the means by which these shall be achieved. The Plan shall include details of soil replacement, the means by which suitable growth media will be placed at surface on the tailings dam faces,; cross-sections of the tailings dams,; and a detailed revegetation plan.

12. Roads

- (a) All roads shall be reclaimed in accordance with land use and capability objectives unless permanent access is required to be maintained.
- (b) Individual roads will be exempted from the requirement for total reclamation under condition 12(a) if either:
 - (1) the Permittee can demonstrate that an agency of the Crown has explicitly accepted responsibility for the operation, maintenance and ultimate deactivation and abandonment of the road, or

- (2) the Permittee can demonstrate that another private party has explicitly agreed to accept responsibility for the operation, maintenance and ultimate deactivation and abandonment of the road and has, in this regard, agreed to comply with all of the terms and conditions, including bonding provisions, of this reclamation permit, and to comply with all other relevant provincial government (and federal government) regulatory requirements.
- (c) This section does not apply to portions of the access road which are outside of the mining lease and which are regulated by the Ministry of Forests.

13. Disposal of Fuels and Toxic Chemicals

Fuels, chemicals or reagents which cannot be returned to the manufacturer/supplier are to be disposed of as directed by the Chief Inspector in compliance with municipal, regional, provincial and federal statutes.

14. Acid Generating Material

- (a) Programs to monitor the potential for acid rock drainage (ARD) shall be described in the 1996 Mine Plan and Reclamation Program. Mining of waste rock or ore shall not be permitted prior to approval of ARD monitoring programs by the Chief Inspector. The 1996 Mine Plan and Reclamation Program shall address questions regarding the identification and segregation of possible small pockets and lenses of pyritic rock in the pit, and shall include proposed blast hole sampling methods and frequencies, turnaround times for sample analyses and contingency plans for prevention of acid drainage from pyritic waste rock. Specific sampling and analyses requirements must be in accordance with the ARD Guidelines (January, 1995) and will be subject to permits issued under the Waste Management Act.
- (b) The Permittee shall submit in the 1996 Mine Plan and Reclamation Program a detailed geological description of the small high sulphide area in the North Pit and information regarding the probability that similar materials occur elsewhere on the property.
- (c) All potential acid generating material shall be placed in a manner which minimizes the production and release of acid mine drainage to a level that assures protection of environmental quality.
- (d) In the event that acid mine drainage occurs, or effluent streams are identified which carry unacceptably high metal levels, all contaminated drainage shall be collected and treated or otherwise managed to a level that assures long-term protection of environmental quality.

15. Monitoring

- (a) The Permittee shall undertake monitoring programs, as required by the Chief Inspector of Mines and the Regional Manager, Environmental Protection, Ministry of Environment, Lands and Parks to demonstrate that reclamation objectives, including land use, capability, water quality, and stability of structures, have been achieved.
- (b) The Permittee shall undertake study programs to evaluate the cumulative effects of fertilization on total nutrient loading and impacts to receiving waters.

16. Temporary Shutdown

If this mine ceases operation for a period longer than one year, the Permittee shall either continue to carry out the conditions of the permit or apply for an amendment setting out a revised program for approval by the Chief Inspector.

17. Responsibility to Reclaim

Any reclamation on the Mount Polley property that remains outstanding under the terms and conditions of Reclamation Permit MX-GEN-78, at the time of issuance of this permit, shall become the responsibility of the Permittee under the terms and conditions of this permit.

18. Safety Provisions

All safety and other provisions of the Mines Act shall be complied with to the satisfaction of the Chief Inspector.

19. Permit Review

On or before March 31, 1996, the Permittee shall submit a final Mine Plan and Reclamation Program that incorporates information required based on the requirements of this permit, inter-agency and public review of the March 1995 Interim Reclamation Plan, and any additional information requirements which may arise through inter-agency monitoring of the project as construction proceeds or through the Public Liaison Committee. This provision shall not be construed as limiting the power of the Chief Inspector or the Minister to amend this permit at any time.

