

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

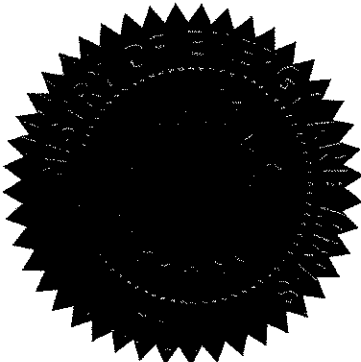
July 11, 1997

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

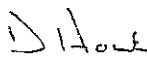
Amendments

As listed on pages 2 and 3.

Amended at Victoria, British Columbia this 22nd day of October in the year 2015.



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
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
March 17, 2014	Approving Cariboo Phase 4 Expansion
March 27, 2014	Approving Change to Reclamation Security Schedule
June 24, 2014	Approving Waste Rock and Tailings Comingling Research Project
December 17, 2014	Approving TSF Breach Repair and Perimeter Embankment Buttress Design for 2015 Freshet
July 9, 2015	Approving Return to Restricted Restart of Operations
October 22, 2015	Approving Main Embankment Buttress

PERMIT AMENDMENT

APPROVING MAIN EMBANKMENT BUTTRESS

Permit: **M-200**

Mine No: **1101163**

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 22 day of October in the year 2015.

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D. How

Al Hoffman, P.Eng.
Chief Inspector of Mines

PREAMBLE

A report titled “Mount Polley Tailings Storage Facility Elevation 970 m Embankment Stability Analysis and Buttress Design” (Application, document 1), prepared by Golder Associates, dated July 10, 2015 was submitted to the Chief Inspector of Mines (Chief Inspector) on August 1, 2015. The Ministry of Energy and Mines is amending the conditions of Permit M-200 in accordance with Section 10(7) of the *Mines Act*.

Information supporting the above referenced Application and required by the Chief Inspector was also filed with the Chief Inspector and forms part of the application as follows:

- Letter “Tailings Storage Facility – Elevation 970 m Buttress Construction”, prepared by Mount Polley Mining Corporation, dated July 31, 2015. (document 2)
- Report “Mt. Polley Tailings Storage Facility Surficial Geology and Quaternary Geological Overview of the Mt. Polley Tailings Storage Facility (TSF) Area, British Columbia”, prepared by Golder Associates, dated July 6, 2015. (document 3)
- Report “2015 Geotechnical Investigation Factual Report Mount Polley Tailings Storage Facility, Likely, BC”, prepared by Golder Associates, dated July 7, 2015. (document 4)

The Application and the supporting documents form the information provided to support the design and construction of a buttress along the Main Embankment and a portion of the Perimeter Embankment. This work is designed to ensure that the embankments of the Tailings Storage Facility (TSF) meet factors of safety of 1.5 or higher under existing conditions or with phreatic level up to 967 m above sea level. This is part of work that is required to increase the overall stability of the TSF following the breach of the perimeter embankment on August 4, 2014.

The Application was provided to the Cariboo Mine Development Review Committee (CMDRC) on August 10, 2015 in accordance with Part 10.3.1 of the Health, Safety and Reclamation Code for Mines in British Columbia (Code). The referral period for comments closed on August 28, 2015. Comments from the Likely and District Chamber of Commerce have been considered in the review of the Application.

This permit contains the requirements of the Ministry of Energy and Mines. It is also compatible, to the extent possible, with the requirements of other provincial ministries. 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 and Mines will be made following consultation with the Williams Lake Indian Band, Xat’sull First Nation (Soda Creek Indian Band), other provincial ministries and federal departments and agencies, as appropriate, within reasonable timeframes.

The mine is located in the asserted traditional territory of the Williams Lake Indian Band and Xat'sull First Nation. This application was referred to both bands for consultation, technical review comments were received from both bands, a follow-up conference call to discuss the application was hosted by the Ministry on September 10, 2015 and a response to comments from Soda Creek Indian Band and their consultant was provided on September 24, 2015 and October 14, 2015.

CONDITIONS

The Chief Inspector hereby approves the application for the main embankment buttress as submitted subject to compliance with the following 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.

3. Limitations of Approval

This permit does not authorize use of the tailings storage facility (TSF).

4. Permit

This permit is not transferrable or assignable.

5. Sharing of *Mines Act* permit condition deliverables

Unless otherwise requested, the Permittee shall provide the Williams Lake Indian Band, Xat'sull First Nation, Cariboo Regional District, and the Community of Likely with all deliverables that are required to be submitted to the Chief Inspector under conditions of this M-200 permit.

B. Geotechnical

1. Rockfill Buttress Designs

The design of a Toe Rockfill Buttress along the Main Embankment and an Extension of the Perimeter Embankment Rockfill Buttress is approved and shall be constructed in accordance with the design and specifications provided by the design consultant. The detailed design report shall include sealed "For Construction" drawings for the Rockfill Buttresses.

2. Construction

- (a) Construction shall be completed under the supervision of the design engineer and is to include sufficient field reviews to allow the designer to confirm that the structure was built in general conformance with the design.
- (b) The Permittee shall submit a copy of the construction specifications and QA/QC to the Chief Inspector prior to initial rockfill buttress construction.
- (c) During construction, seepage collected in the Main Embankment Seepage Collection Pond (MESCP) shall continue to be managed for containment within site water management structures.

3. Operation

- (a) The OMS manual for the TSF shall be updated and submitted to the Chief Inspector within one month following completion of the as-built report.
- (b) The Permittee shall ensure that the TSF, including the rockfill buttress, is operated and monitored in accordance with the Operation, Maintenance and Surveillance (OMS) manual.

4. Monitoring

Existing instrumentation, consisting of vibrating wire piezometers, slope inclinometers, and survey monuments installed in the Main, Perimeter and South embankment dams shall monitor piezometric levels, foundation movement, as well as, rockfill buttress and embankment settlement. Location of instrumentation, instrument reading frequency, trigger levels and actions for various levels of response shall be included in the OMS manual. Records of monitoring shall be kept up to date at the mine and made be available to inspectors upon request.

5. Reporting

- (a) The Permittee shall submit bi-weekly construction progress reports to the Chief Inspector, and Senior Health and Safety Inspector. These reports shall include a summary of: construction progress, instrumentation readings, a schedule update, challenges, and implementation of any contingency measures.
- (b) The Permittee shall submit an as-built report and construction drawings to the Chief Inspector within three (3) months of completion of construction, including confirmation from the Engineer of Record that the rockfill buttress has been constructed in accordance with the design.
- (c) An annual dam safety inspection shall be completed in 2015 by a qualified professional geotechnical engineer and a copy of the inspection report shall be submitted to the Chief Inspector within three (3) months of the inspection. The annual dam inspection report shall be prepared in accordance with the Ministry of Energy and Mines *Guidelines for Annual Dam Safety Inspection Reports*.
- (d) The Permittee shall take immediate steps to carry out remedial action recommended in the annual dam safety inspection report. Any recommendations with respect to health and safety or geotechnical stability are to be followed unless a suitable alternative course of action is approved in writing by the professional undertaking the review, or by a third party Professional Engineer. A report detailing how and when each of the recommendations for remedial action will be addressed shall be provided to the Chief Inspector with the annual dam safety inspection and the Permittee shall provide written notice to the Chief Inspector when each remedial action has been completed.
- (e) A dam safety review (DSR) shall be completed in accordance with the *Canadian Dam Association, Canadian Dam Safety Guidelines 2007 (revised 2013)* and *APEGBC Professional Practice Guidelines for Legislated Dam Safety Reviews in BC*. The next DSR shall be completed by December 2016.

All other terms and conditions remain.