

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

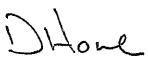
July 11, 1997

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 29<sup>th</sup> day of April in the year 2016.

*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

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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
February 25, 2016	Approving Upstream TSF Construction and 2016 Freshet Water Management
March 17, 2016	Approving Springer Pit Lake Elevation Increase
April 29, 2016	Approving Extension to Restricted Operations and Corner 1 Buttrressing

**PERMIT AMENDMENT**

**APPROVING EXTENSION TO RESTRICTED RESTART OF OPERATIONS  
AND CORNER 1 BUTTRESSING**

Permit: **M-200**

Mine No: **1101163**

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**P.O. Box 12**  
**Likely, British Columbia**  
**V0L 1N0**

for work located at the:

**Mount Polley Mine**

Amended at Victoria, British Columbia this 29th day of April in the year 2016.

*Al Hoffman*  
\_\_\_\_\_  
for Al Hoffman, P.Eng.  
Chief Inspector of Mines

## **PREAMBLE**

A letter regarding “Extension to Restricted Operations” (document 1), prepared by Mount Polley Mining Corporation, dated February 23, 2016 was submitted to the Chief Inspector of Mines (Chief Inspector) on February 23, 2016. A letter regarding “Amendment to *Mines Act* Permit M-200 (Mount Polley Mine) – El. 963m Corner 1 Perimeter Embankment Buttress” (document 2), prepared by Mount Polley Mining Corporation, dated April 19, 2016 was submitted to the Chief Inspector on April 19, 2016. Documents 1 and document 2 constitute the “Application”. 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:

- Memorandum “Mount Polley Mine – Prediction of Water Level and Seepage from the Springer Pit and Bootjack Lake Water Quality”, prepared by Golder Associates Ltd., dated March 7, 2016. (document 3)
- Letter “Site Conditions Update (#6)”, prepared by Mount Polley Mining Corporation, dated March 25, 2016. (document 4)
- Letter “Water Treatment Plant (WTP) Capacity Increase Plan”, prepared by Mount Polley Mining Corporation, dated March 31, 2016. (document 5)
- Technical Memorandum “Update to the Assessment of Seepage Conditions near the Springer Pit – Mount Polley Mine – Rev 0”, prepared by Golder Associates Ltd., dated April 26, 2016. (document 6)
- Report “Tailings Storage Facility Detailed Design to Elevation 970 m”, prepared by Golder Associates Ltd., dated November 3, 2015. (document 7)

The Application and the supporting documents form the information provided for an extension to the restricted operations at the Mount Polley Mine, originally permitted on July 9, 2015. The extension to restricted operations authorizes an additional one million tonnes of ore to be processed, with tailings continued to be stored in the Springer open pit. This extension has been granted while the review and assessment of the proposed return to full operations continues.

The Application was referred to the Cariboo Mine Development Review Committee (CMDRC) on March 11, 2016 in accordance with Part 10.3.1 of the Health, Safety and Reclamation Code for Mines in British Columbia (Code). The application was discussed during two meetings of the CMDRC on March 17, 2016 and April 15, 2016. The Application was summarized during a First Nations community meeting at the Sugar Cane gymnasium on March 16, 2016.

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

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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.

Pursuant to Section 9 of the *Mines Act*, the CMDRC will serve as the ongoing advisory committee to the Chief Inspector. The Committee Chair is appointed by the Chief Inspector pursuant to Section 9 of the *Mines Act*. Terms of Reference and Operating Procedures for the CMDRC are established by the Committee Chair in consultation with the Committee members. The Committee will include representatives from the Ministry of Energy and Mines, Ministry of Environment, Ministry of Forests, Lands, and Natural Resources Operations, Williams Lake Indian Band, Xat'sull First Nation, local government (Cariboo Regional District and City of Williams Lake), the Community of Likely, and other government agencies. The owner, agent or manager (Permittee) and other agencies will be invited to participate as appropriate. The Committee Chair will be responsible for maintaining an up-to-date contact list for Committee members and providing this to the Permittee as required.

The mine is located in the asserted traditional territory of the Williams Lake Indian Band and Xat'sull First Nation. Representatives of the Williams Lake Indian Band and Xat'sull First Nation participated in the CMDRC meetings and discussions of the application.

## CONDITIONS

The Chief Inspector hereby approves the application for an extension to restricted restart of operations 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 the Code and 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

Date: April, 29, 2016

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

- (a) This permit authorizes processing of up to an additional one million tonnes of ore increasing the total authorized mass to five million tonnes of ore in accordance with the July 9, 2016 Mines Act permit amendment authorizing the return to restricted restart of operations.
- (b) This permit applies to the design and placement of a buttress at Corner 1 in accordance with conditions set out below. No other aspects of the "Tailings Storage Facility Detailed Design to 970m" prepared by Golder Associates Ltd., dated November 3, 2015 are approved at this time.
- (c) This permit does not authorize use of the tailings storage facility (TSF) for the deposition of tailings.

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 permit.

**B. Geotechnical**

1. Corner 1 Buttress Design

The design of buttress placement at Corner 1 to the 936m elevation is approved and shall be constructed in accordance with the Issued for Construction design and specifications provided in the report "Tailings Storage Facility Detailed Design to 970m" prepared by Golder Associates Ltd.

2. Construction

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.

3. Reporting

(a) The Permittee shall submit to the Chief Inspector within 30 days of completion of construction a report from the Engineer of Record confirming that the buttress was constructed in accordance with the design, and identifies if any modifications to the designs were completed.

(b) The Permittee shall submit an as-built report and construction drawings to the Chief Inspector prior to March 31, 2017.

**C. Protection of Land and Watercourses**

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

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 protection of environmental quality.

(a) Mined Materials Stockpiles

This permit approves the addition of up to 625,000 tonnes of PAG rock in the northwest PAG stockpile to a maximum authorized mass of 19,125,000 tonnes.

2. Mine Site Water Management and Monitoring

The Permittee shall develop a contingency water management plan that can be implemented if required to ensure that water levels in Springer Pit and TSF are maintained at permitted levels. This plan shall include consideration of operational and regulatory restrictions, a trigger for timing of materials procurement, and triggers for initiating management actions. This plan shall be provided to the Chief Inspector by June 15, 2016.

All other terms and conditions remain.