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## NEWS RELEASE

For Immediate Release  
2015MEM0016-000942  
June 24, 2015

Ministry of Energy and Mines

### **Government appoints Mining Code Review Committee members**

VICTORIA – Minister of Energy and Mines Bill Bennett today appointed a Code Review Committee pursuant to section 34 of the Mines Act that will determine how best to implement the seven recommendations stemming from an Independent Expert Engineering Panel’s investigation into the Aug. 4, 2014, tailings pond breach at the Mount Polley Mine in Northwest B.C.

The expert panel delivered a report in January on its investigation into the cause of the failure of the tailings storage facility at the Mount Polley Mine. The report also included the release of 35,000 pages of documentation related to the panel’s investigation. The panel concluded the dam failed because the strength and location of a layer of clay underneath the dam was not taken into account in its original design, and made seven recommendations to prevent such incidents in the future.

“Work is already underway to address four of the expert panel’s recommendations on improving corporate governance, expanding corporate design commitments, improving professional engineering practices and strengthening current regulatory operations,” said Bennett. “This is the next to step in the process to implement all of the expert panel’s seven recommendations.”

Addressing the independent panel recommendations on tailings storage facilities is the first priority of the code review and will focus on the following three areas:

- Implementing best available technology (BAT) and best available practices (BAP), including using filtered tailings (dry stack) technology where appropriate. The panel also noted that there are circumstances where other technologies are more appropriate.
- Enhance validation of safety and regulation of all phases of a tailings storage facility (TSF).
- Improving Dam Safety Guidelines.

The Code Review Committee will be chaired by the Chief Inspector of Mines and includes an equal number of representatives nominated by First Nations, mine labour unions and industry. It will consist of three separate committees: an overarching Code Review Committee and two sub-committees that will provide technical reviews for the TFS and the Health and Safety sections of the code.

The public will also have the opportunity during the code review to provide written submissions on implementing the independent panel’s recommendations to the Code Review Committee. The public submission period will run from July 15 to Sept. 15, 2015.

The TSF facility portion of the code review is expected to be completed in early 2016 and revisions could be legally in force by mid-2016. The health and safety technical review is

expected to continue through 2016 – with all revisions complete and in force by spring 2017.

“B.C. has never before seen the size and scale of a Mount Polley tailings dam failure, but once is too often. It is up to us to ensure that we take a leadership role in Canada and internationally to learn from the Mount Polley incident and do everything we can to ensure it never happens again,” said Bennett.

In the short term, the Mount Polley Mining Company has applied to start up limited operation of the mine, with tailings and effluent being temporarily placed into the nearby Springer pit. A technical review of the application started on March 30, and the public comment period concluded on May 2.

A report will soon be submitted to the statutory decision-makers with the Ministry of Energy and Mines and the Ministry of Environment, and they will make a decision about whether the mine can re-open. A decision on the re-start is expected from the Chief Inspector of Mines and the Ministry of Environment’s statutory decision-maker by late June or early July.

#### **Quotes:**

##### **CEO of the BC First Nations Energy and Mining Council Dave Porter –**

“I welcome the announcement by Minister Bennett of the establishment of the code review panel. The code review process will hopefully improve B.C.'s regulatory regime so as to prevent future mining disasters as witnessed with Mt. Polley in 2014. The decision to appoint Nalaine Morin and Mark Podlasly as the First Nations representatives on the panel is recognition by the government of the qualifications of these two outstanding individuals. Ms. Morin is an engineer and a graduate of UBC and Mr. Podlasly is a graduate of Harvard University's Kennedy School of Government. Both Ms. Morin and Mr. Podlasly have extensive experience in the resource sector in Canada and internationally.”

##### **Mining Association of B.C. president and CEO Karina Brino –**

“Safety is the No. 1 priority of the mining industry and MABC looks forward to fully participating in the review of the code to determine how to best incorporate the recommendations from the panel. We are proud to operate in a jurisdiction with world-leading regulations and policies to ensure the safety of workers, the public and the environment.”

##### **United Steelworkers District 3 director Stephen Hunt –**

“It's critical for British Columbians to have confidence that a modern and robust regulatory framework is in place for the mining sector. That means ensuring our province has leading regulations in relation to worker and public safety, as well as environmental protection.”

#### **Learn More:**

More information on the Code Review including a copy of the Code Review terms of reference and details on how to submit information to the Code Review Committee is available online here: [www.gov.bc.ca/minecodereview](http://www.gov.bc.ca/minecodereview)

A video showing Imperial Metals' remediation work on Hazeltine Creek is available here:  
<http://goo.gl/a1kNSD>

Three backgrounders follow.

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## BACKGROUND 1

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### **Government response to Mount Polley breach**

On Aug. 4, 2014, a large and unprecedented breach occurred at the Mount Polley Mine tailings storage facility. Government took immediate steps to respond, addressing health and safety concerns and initiating three investigations.

Water sampling by Ministry of Environment (MOE) staff began on the evening of Aug. 4 and remains ongoing. The drinking water ban was lifted by Interior Health for Quesnel Lake, outside the immediate area of impact – 100 m from the mouth of Hazeltine Creek, on Aug. 13 2014. To date, MOE has taken over 150 water samples and continues to monitor impacts on fish. MOE's sampling is in addition to the more than 3,800 water samples taken by the Mount Polley Mining Corporation.

As part of the pollution abatement order issued by MOE on Aug. 5, the Mount Polley Mine Corporation was ordered to take immediate action to stop the further release of mine tailings into nearby waterways and to submit environmental impact assessments and clean-up action plans to the ministry, including plans to stabilize Hazeltine Creek.

In December, the Ministry of Energy and Mines (MEM) approved an amendment to the Mount Polley Mine Corporation Mines Act permit to allow the company to begin repairs of the breach in its tailings storage facility dam. This work was completed in April 2015.

Throughout the response and remediation process, government and the Mount Polley Mining Corporation have held regular community meetings to keep residents up to date on efforts to address the breach and related issues. To date, more than 20 community meetings have been held for residents of Likely, Williams Lake and members of the Soda Creek Indian Band (Xats'ull First Nation) and Williams Lake Indian Band.

Since the August 2014 failure of the tailings pond at Mount Polley Mine, the provincial government has continued to oversee all environmental remediation work undertaken by the Mount Polley Mining Company. Phase 1 of this work, which focused on stabilizing Hazeltine Creek so it would be safe over the winter months and through the higher water flows from spring freshet, is now complete. To-date, the company has spent \$67 million on remediation work.

Phase 2 of the remediation and restoration will run through summer of 2016 and beyond. It will focus on repairing impacts of the breach, and will also have active participation from area First Nations and local communities.

On Jan. 30, the Independent Expert Engineering Investigation and Review Panel delivered a Final Report on its investigation into the cause of the failure of the tailings storage facility at the

Mount Polley Mine. The report also included the release of 35,000 pages of documentation related to the panel's investigation. The panel concluded the dam failed because the strength and location of a layer of clay underneath the dam was not taken into account in its original design and made seven recommendations to prevent such incidents in the future.

Government committed to implement all of the panels recommendations and progress has already been made toward implementing the following four panel recommendations:

**1. Improve corporate governance:** Companies should be required to be a member of the Mining Association of Canada and their best practices program, or an equivalent program.

- Government supports the adoption of industry best practices such as the "Towards Sustainable Mining" program.
- The Mining Association of Canada (MAC) has established an independent, multi-stakeholder expert task force to review its tailings management requirements and guidance documents under its Towards Sustainable Mining (TSM) program. The results of the review are expected to be publicly available by the end of this year.

**2. Expand corporate design commitments:** Future permit applications should include detailed cost-benefit analysis of best available technology options recognizing that cost-benefit should not supersede safety.

- The B.C. Environmental Assessment Office has established additional information requirements in order to evaluate tailings management options for proposed major mines in BC. The new requirements apply to all mine projects with new tailings dams that are currently undergoing an environmental assessment.
- The required information ensures that companies proposing to build mines with new tailings dams have:
  - in addition to the selected option, considered other options that can address the potential for adverse effects on environmental, health, social, heritage and economic values
  - for the option selected, considered the potential risks and implications of that option and have a technically and economically feasible plan to address them
  - provided a clear and transparent rationale to support the selected option.
- Additionally, all mines in the Mines Act permitting process will be reviewed on a case-by-case basis to ensure the application and information provided reflect the independent panel's recommendations.

**3. Improve professional practice:** Government should encourage the Association of Professional Engineers and Geoscientists of BC (APEGBC) to develop guidelines that would lead to improved site characterization for tailings dams.

- APEGBC is developing professional practice guidelines for dam site characterization assessments.
- The guidelines will outline the standard of care and professional obligations professional engineers and geoscientists must uphold when conducting these assessments, and will define the roles and responsibilities of the various participants and stakeholders involved in this process.
- Four senior technical experts are leading this work, including Dirk van Zyl, P.Eng., who participated on the independent expert engineering investigation and review panel that

authored the Mount Polley report. His co-authors will be Dr. Brent Ward, P.Geo.; Harvey McLeod, P.Eng./P.Geo.; and Andy Small, P.Eng.

- The guidelines are scheduled to be released in March 2016, and APEGBC will be conducting training sessions later that spring.

**4. Strengthen current regulatory operations:** Determine if other tailings storage facilities may have similar risks to those found at Mount Polley.

- In response to the independent panel recommendations, the Chief Inspector of Mines ordered all operating mines with tailings storage facility (TSF) dams, and all closed mines with TSF dams classified as significant or higher, to provide a letter by June 30, 2015, to confirm whether foundation materials similar to those at Mount Polley exist below any of their dams.
- If those materials are present, the letters must also confirm whether sufficient investigations and testing were completed to properly understand the strength and location of those materials and that the dams were designed to account for those conditions.
- Once those letters are received, Ministry of Energy and Mine's staff will review the submissions. It is expected that this review will take approximately six to eight weeks. As with the 2014 dam safety inspections, all documents will be made available publicly once this review is complete.

The Code Review Committee appointed today will recommend how to best fully implement the independent panel's recommendations. The initial focus of the code review will be to address the following three independent panel recommendations:

**5. Implement best available technologies (BAT) using a phased approach:**

- For existing tailings impoundments: Rely on best practices for the remaining active life.
- For new tailings facilities: BAT should be actively encouraged for new tailings facilities at existing and proposed mines. The panel recommended the adoption of best available technology, including filtered tailings (dry stack) technology where appropriate. The panel also noted that there are circumstances where other technologies are more appropriate.
- For closure: BAT principles should be applied to closure of active impoundments so that they are progressively removed from the inventory by attrition.

**6. Enhance validation of safety and regulation of all phases of a TSF:** Government should increase the utilization of independent tailings review boards.

- Government has confirmed that independent tailings dam review boards will be mandatory for operating mines.
- Some operating mines in B.C., such as Highland Valley Copper Mine and Red Chris Mine, already have independent tailings dam review boards in place.

**7. Improve dam safety guidelines:**

- Recognizing the limitations of the current Canadian Dam Association (CDA) guidelines incorporated as a statutory requirement, the code committee will review and make recommendations for regulations that provide more certainty and specific direction to

mine operators on tailings dam safety.

The independent panel was mandated to identify the cause of the failure and make recommendations to prevent a similar occurrence in the future. The panel was not mandated to assess responsibility or liability. That is the mandate of the other two investigations currently still underway by the Conservation Officer Service and the Chief Inspector of Mines.

The Chief Inspector of Mines' independent investigation into the Mount Polley breach is expected to conclude this summer and will be forwarded to the Ministry of Justice for review. If charges are contemplated, evidence from this investigation, including the report of the Chief Inspector of Mines, could be used in court, and as a result would not be released to the public immediately following the conclusion of the investigation.

An independent investigation into the cause of the Mount Polley tailings pond breach is being led by British Columbia's Conservation Officer Service (COS), and assisted by Environment Canada, Department of Fisheries and Oceans Canada and the RCMP.

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## BACKGROUND 2

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### **Three committees to undertake code review**

The code review will consist of three separate committees: the Code Review Committee, and two sub-committees that will provide technical reviews for the Tailings Storage Facilities and the Health and Safety sections of the Code.

The public will also have the opportunity during the code review to provide submissions on implementing the independent panels recommendations to the Code Review Committee.

The Code Review Committee will be chaired by the Chief Inspector of Mines and comprises an equal number of nominees from mine labour unions, First Nations and mine operations management. Bennett has appointed the following individuals to the Code Review Committee, and chairs of the sub-committees:

- Chair: Al Hoffman, Chief inspector of Mines for B.C.
- Mine labour union nominees: Two members – Randall Gatzka and Brett Chapman.
- First Nations nominees: Two members – Nalaine Morine and Mark Podlasly.
- Mine operations management nominees: Two members – Greg Brouwer and Richard Tremblay.
- Tailings Storage Facility Technical Review sub-committee chair: Harvey McLeod and Klohn Crippen Berger.
- Health and Safety sub-committee chair: Rolly Thorpe, Deputy Chief Inspector of Mines (Health and Safety)

The tailings sub-committee will provide its expert advice to the Code Review Committee. This work will be completed first and given a defined time to work through potential changes to dam safety and tailings management aspects of the code in response to the independent panel's recommendations.

The tailings sub-committee will be reviewing the independent panel recommendations, focussing on the following areas:

- Implementing best available technology (BAT) and best available practices (BAP).
- Improving corporate governance.
- Expanding corporate design commitments such as setting quantitative performance objectives
- Enhance validation of safety and regulation of all phases of a tailings storage facility (TSF)
- Improving Dam Safety Guidelines

The health and safety sub-committee will provide its expert advice to the Code Review Committee. The health and safety review will focus on those aspects of the code not addressed through the tailings review, such as occupational health, mechanical, electrical.

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### Code Review Panel biographies

Code Review Committee:

**Chair Al Hoffman, Chief Inspector of Mines** – Al Hoffman is a professional mining engineer with over 30 years experience in the Canadian Mining Industry. He began his employment with the BC Mines Inspectorate in 1995 as the Manager, Occupational Health and has taken on progressively more senior roles and is currently Chief Inspector of Mines, and Executive Director of the Health, Safety and Permitting Branch. Before taking on employment with the provincial government he worked for INCO Ltd. at the Sudbury operations.

**Mine Labour Union Nominee Randall Gatzka, United Steelworkers Union (USW)** – Randall is a senior representative of the USW in Western Canada with over a decade of experience representing workers in a range of industries. He has dealt extensively with mines in B.C. as well as in the USW-represented potash and uranium mines in Saskatchewan. Randy has participated effectively in multi-stakeholder committees, such as the Mining Industry Task Force, which became the BC HR Task Force: Exploration, Mining, Stone, Sand and Gravel Labour Market Project, and currently is a member of the Industry Training Authority – Mining Sector Advisory Group.

**Mine Labour Union nominee Brett Chapman, International Union of Operating Engineers Local 115** – Brett is the Senior Business Representative at IUOE Local 115 at Peace River Coal, a position he has held for the last three years. At the mine's peak production, Brett was responsible for more than 300 members. He has worked closely with Peace River Coal's Management Team and their Joint Occupational Health and Safety Committee.

**First Nations nominee Nalaine Morin, ArrowBlade Consulting** – Nalaine a resource development advisor and nationally-recognized Aboriginal environmental assessment consultant. She has more than 16 years experience in environmental management and expertise leading companies and First Nation communities in technical reviews, regulatory support, negotiations, community consultation and environmental resource management. Morin is renowned for her industry-leading approach in bringing First Nation traditional knowledge and western science together to bridge cultural understanding.

**First Nations nominee Mark Podlasly, North Pacific Energy and First Nations Energy and Mining Council** – Mark is a member of the Nlaka'pamux First Nation near Merritt, B.C. and is a senior advisor to the BC First Nations Energy and Mining Council on extractive industries and their impact on aboriginal lands and communities. He is also the co-founder and CEO of North Pacific Energy Ltd., a Canadian wood biomass energy company servicing Japan and Korea's electricity and industrial power sectors.

**Mine Operations Management nominee Greg Brouwer, general manager, Highland Valley Copper, Teck**– Greg is a registered engineer with more than 20 years of mining experience. He is currently the general manager of Highland Valley Copper, the largest open pit copper mine in Canada.

**Mine Operations Management nominee Richard Tremblay, general manager, Gibraltar Mine, Taseko** – Richard has more than 20 years of mining experience and is currently the general manager of Gibraltar mine, which is the second-largest open pit copper/molybdenum mine in Canada.

**Sub-committee chairs:**

**Tailings Storage Facility Technical Review sub-committee chair Harvey McLeod, principal, Klohn Crippen Berger** – Harvey has 40 years of experience in mine environment and water resource projects, spanning throughout Canada and internationally. He has worked on over 100 water-tailings storage dams and has carried out major studies for over 80 mining projects, including some of the largest mining operations in the world. Harvey is the current chairman of the Tailings Subcommittee of the International Commission on Large Dams (ICOLD)

**Health and Safety sub-committee chair Rolly Thorpe, deputy chief inspector of Mines, Health and Safety** - Rolly was appointed Deputy Chief Inspector of Mines, Health and Safety in 2011. He has served as a B.C. mine inspector since 2009. Prior to serving in government, Thorpe worked in the mining industry. He was employed as a miner, shift boss, blasting specialist, engineer, superintendent and manager. Rolly Thorpe is a professional engineer registered in B.C. and holds a BSc in mining engineering and a master's in business administration.

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