File: 107461

June 15, 2015

REGISTERED MAIL

Dale Reimer Mount Polley Mining Corporation Suite 200 580 Hornby Street Vancouver BC V6C 3B6

Dear Mr.Reimer:

Re: Pollution Abatement Order 107461 Requirements

Pollution Abatement Order (PAO) 107461 was issued by Ministry of Environment, Environmental Protection Division August 5, 2014.

This letter acknowledges that the actions undertaken by Mount Polley Mining Corporation and the data received from Mount Polley Mining Corporation complete the requirements of the following sections of PAO 107461:

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- Sec 1 Immediately take action, under the direction of a suitably qualified professional, to abate the discharge of mine-affected materials and sediments from the impoundment facility, and specifically into Polley Lake, Hazeltine Creek and Quesnel Lake. A written summary of actions taken must be submitted to the Director on August 13, 2014.
- Sec 3 Retain a suitably qualified professional to initiate a comprehensive Environmental Impact Assessment (EIA) and provide the name of the qualified professional to the Director for approval by August 13, 2014.
- Sec 4 Upon completion of the preliminary EIA, immediately implement clean-up activities, mitigation measures and management actions as required by the EIA.
- Sec 5 Upon completion of the comprehensive EIA, immediately implement clean-up activities, mitigation measures, site restoration and management actions as required by the comprehensive EIA
- Sec 6 Based on the preliminary EIA, develop and submit to the Director by August 6, 2014, for approval, an Action Plan detailing measures relative to the preliminary EIA to be taken to:
 - a. Characterize the materials that were released into the receiving environment (including their expected behaviour in the receiving environment, settling rates, etc.);

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- b. Recover or otherwise manage mine-affected materials and sediments currently in the receiving environment;
- c. Mitigate residual risks to the environment;
- d. Assess and monitor the impacts and risks posed by the mine-affected materials and sediments currently in the receiving environment, as well as from the recovery and management efforts themselves; and
- e. Report on the implementation of Action Plan measures on a weekly basis to regulatory agencies and stakeholders.
- Sec 8 Prepare and submit a formal written update by September 15, 2014. The update report is to include at a minimum:
 - a. A list of all other qualified professionals who contributed to the report, and a summary of their qualifications;
 - b. A summary of the preliminary EIA and results;
 - c. A summary of the comprehensive EIA and results;
 - d. A description of clean-up activities, mitigation measures, site restoration and management actions that were implemented as a result of the preliminary and comprehensive EIA;
 - e. Recommendations for additional mitigation and restoration measures, if appropriate; and
 - f. A proposed ongoing monitoring program.

Thank you for submitting your action plan as required under Section 7 by August 15, 2014. However, to fully satisfy the requirements of Section 7 of the Order, which states:

- Sec 7 Based on the comprehensive EIA, develop and submit to the Director by August 15, 2014, for approval, an Action Plan detailing measures relative to the comprehensive EIA to be taken to:
 - a. Fully characterize the materials that were released into the receiving environment (including their expected behaviour in the receiving environment, settling rates, etc.);
 - b. Fully recover or otherwise manage mine-affected materials and sediments currently in the receiving environment;
 - c. Define Site mitigation and/or mitigate residual risks to the environment;
 - d. Assess and monitor the impacts and risks posed by the mine-affected materials and sediments currently in the receiving environment, as well as from the recovery and management efforts themselves; and
 - e. Report on the implementation of Action Plan measures on a weekly basis to regulatory agencies and stakeholders.

I require that you provide a written update to the above action plan that includes how Mount Polley Mining Corporation:

- a. Will achieve turbidity at the monitoring sites QUL54, QUL55, QUL56 of no greater than 2 NTU rolling average above background, at any monitored depth, over a period of 30 days using a minimum of 5 weekly samples.
- b. Will achieve turbidity at the monitoring site QUL 18 of no greater than 1 NTU above background at any monitored depth.
- c. Will consider the Environmental Mitigation Policy, including applicable guidelines and protocols, when determining mitigation/offsets for residual impacts to the environment when presenting them for consideration by Ministry of Environment and other stakeholders
- d. Will provide a schedule of submission dates for the plan or plans to recover or manage the mine affected materials and sediment in the receiving environment.
- e. Will complete a human health and ecological risk assessment containing a conceptual exposure model, and define when the risk amendments and conceptual model will be provided.

The update to the action plan is required by July 15 2015.

If you have any questions, please contact Hubert Bunce at Hubert.Bunce@gov.bc.ca or 250 751-3103.

Yours truly

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Hubert Bunce A/Director, Mount Polley Environmental Protection Division Ministry of Environment

cc. Lyn Anglin <u>Langlin@imperialmetals.com</u> Trish Miller - <u>Trish_Miller@golder.com</u> Lee Nikl – <u>Lee_Nikl@golder.com</u>