

Date: June 9, 2017 File: Order 107461

MOUNT POLLEY MINING CORPORATION SUITE 200 580 HORNBY ST VANCOUVER, BC V6C 3B6

REGISTERED MAIL: RN 206 647 249 CA

POLLUTION ABATEMENT ORDER AMENDMENT

I have reasonable grounds to believe that a substance is causing pollution in the receiving environment following the breach of the Mount Polley Mine (the "Mine") tailings storage facility (TSF), as resulting from the foundational failure of the TSF that occurred on August 4, 2014. The incident occurred from a property located approximately 7 kilometres southwest of Likely, British Columbia (BC) and is legally described as Mineral Claim 514039, Cariboo Mining Division, Cariboo Land District, owned and/or operated by MOUNT POLLEY MINING CORPORATION (MPMC).

This order amends and consolidates all requirements of Order 107461 issued August 5, 2014 and last amended January 19, 2017.

Pursuant to Section 83 of the Environmental Management Act, MOUNT POLLEY MINING CORPORATION is hereby ordered to comply with the following amended requirements:

1.0 Human Health Risk Assessment

MPMC must complete and submit to the director for approval, a human health risk assessment (HHRA) containing a conceptual exposure model to:

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.

The HHRA was submitted to the director on May 31, 2017, and is pending approval.

2.0 Ecological Risk Assessment

MPMC must complete and submit to the director for approval, an ecological risk assessment (ERA) containing a conceptual exposure model to:

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.

The deadline for submission of a draft version of the ERA is June 30, 2017 and a final version of the ERA is due September 1, 2017.

3.0 Conceptual Remediation Plan

On or before October 31, 2017, MPMC must complete, and submit to the director for approval, a conceptual remediation plan (CRP) that provides proposed remedial actions for the areas impacted by the TSF breach. The CRP must include the following:

- i. A summary of the remedial planning basis including: the regulatory framework under which the plan is being developed, a summary of the findings of the detailed site investigation (DSI), the HHRA and ERA submitted pursuant to this order with specific focus on identified risks;
- ii. A summary of remedial actions that have already been carried out, including a description of the process and criteria that were used to evaluate options for remedial work that has been undertaken;
- iii. The proposed remedial actions based on the results, conclusions and recommendations from the DSI, the HHRA and ERA. The proposed remedial actions must demonstrate that any residual contaminants do not substantially alter or impair the usefulness of the environment. These actions need to be delineated by area as defined in the Update Report: Post-Event Environmental Impact Assessment Report (June 3, 2016);
- iv. A description of consultation completed with local First Nations and with stakeholders on the remedial objectives and how remedial objectives have been refined taking into account the outcome of such consultation;
- v. An implementation schedule; and,
- vi. A monitoring and reporting framework that will be integrated into the comprehensive environmental monitoring plan required in Permit 11678.

4.0 Recovered Tailings Disposal

MPMC must dispose of all tailings and tailings contaminated materials recovered or removed from the area impacted by the TSF breach (the "Recovered Tailings") in the Mount Polley Mine TSF or in another location acceptable to the director. Recovered tailings must not be stockpiled or stored temporarily pending disposal in any area off of the Mine site for a period greater than 90 days, unless otherwise approved by the director in writing.

On or before September 30, 2017, MPMC must remove all existing Recovered tailings that have been stockpiled or stored temporarily in any area pending disposal, and dispose of the Recovered Tailings in the Mount Polley Mine TSF or in another location approved by the director.

5.0 Discharge Management Plan

MPMC must complete and submit a discharge management plan to the director for approval. The discharge management plan must consist of a plan to ensure that the management and operation of the Polley Lake discharge and the sediment ponds in Hazeltine Creek are such that impacts on the water quality of Quesnel Lake are minimized. The deadline for submission of a draft version of the plan is July 15, 2017 and a final version of the plan due September 1, 2017.

6.0 Reporting

MPMC must submit to the director quarterly reports summarizing activities undertaken in the previous three months and including a projection of planned activities in the upcoming three months. These quarterly reports are to include the following information:

- a. the implementation status of the requirements of this order,
- b. a summary of communications with stakeholders and the public relating to the TSF breach and its impacts, and
- c. any activities taken by MPMC towards the restoration and contaminant remediation efforts in the spill-impacted area of Hazeltine Creek, Polley Lake and Quesnel Lake.

The first such report shall cover the period up to June 30, 2017. Quarterly reports shall be submitted to the director within 30 days of the end of the previous quarter.

A copy of the quarterly reports, and the final version of all other reports required to be submitted as a condition of this order, must be provided to all regulatory agencies, First Nations and stakeholders within 15 days of submission to the director.

Regulatory agencies, First Nations, and stakeholders must include the following: Ministry of Energy and Mines; Ministry of Forests, Lands and Natural Resource Operations; Environment Canada; Fisheries and Oceans Canada; Xatśūll First Nation, Williams Lake Indian Band, Lhtako Dené Nation, Tsilhqot'in National Government, Cariboo Regional District, and Likely and District Chamber of Commerce.

7.0 Additional Provisions

- (a) Every requirement of this order must be carried out to the satisfaction of the director.
- (b) Subject to the conditions at the site, the director may require additional action, as deemed necessary by the director, to protect human health and the environment.

Failure to comply with the requirements of this order is a contravention of the *Environmental Management Act* and may result in legal action. I direct your attention to Section 120(10) of the *Environmental Management Act*, which reads:

"(10) A person who contravenes an order...that is given, made or imposed under this Act by a ...director...commits an offence and is liable on conviction to a fine not exceeding \$300 000 or imprisonment for not more than 6 months, or both."

Failure to comply with the requirements of this order may also result in an administrative penalty under the *Administrative Penalties Regulation (Environmental Management Act)* (B.C. Reg 133/2014) (Regulation). I direct your attention to Section 12(4) of the *Regulation*, which reads:

"(4) A person who fails to comply with an order under the [Environmental Management] Act is liable to an administrative penalty not exceeding \$40 000."

This order does not authorize entry upon, crossing over, or use for any purpose of private or Crown lands or works, unless and except as authorized by the owner of such lands or works. The responsibility for obtaining such authority rests with you. It is also your responsibility to ensure that all activities are carried out with due regard for the rights of third parties, and comply with other applicable legislation that may be in force, such as municipal bylaws relating to the discharge of waste to municipal storm or sanitary sewers.

This decision may be appealed to the Environmental Appeal Board in accordance with Part 8 of the *Environmental Management Act*. An appeal must be delivered within 30 days from the date notice is given. For further information, please contact the Environmental Appeal Board at (250) 387-3464.

Please be advised that this order may be published on the provincial website within 7 days.

If you have any questions, please call the undersigned.

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Yours truly,

Douglas Hill, P.Eng.

for Director, Environmental Management Act

Mining Operations

cc: Dale Reimer, Mount Polley Mining Corporation

Aaron Higginbottom, Williams Lake Indian Band

Georgia Bock, Xatśūll First Nation

Diane Howe, Ministry of Energy and Mines

Dave Weir, Ministry of Forests, Lands, and Natural Resource Operations

Don Parsons, Imperial Metals Corporation

