



## Chief Inspector of Mines - Reasons for Decision

July 9, 2015  
Permit No.: M-200  
Mine No.: 1101163

Re: Mount Polley Mine *Mines Act* permit amendment Approving Restricted Restart of Operations

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### Introduction

This is a record of my considerations and decision making regarding the Application under the *Mines Act* entitled "*Permit Amendment Application, Mount Polley Mine Return to Restricted Operations Revision 1*" (Application), prepared by Mount Polley Mining Corporation, dated March 20, 2015.

This permit amendment application is to authorize a restart of mining operations at the Mount Polley Mine, which have been on care and maintenance since the tailings dam failure on August 4, 2014. Mining of up to four million tonnes of ore is planned in the Cariboo open pit and boundary zone underground. Tailings will be stored in the Springer open pit. Milling rate is to be approximately 50% of full-scale operations at 10,000-12,000 tonnes per day. This permit limits the extent of approved activities to one year of operation and a maximum Springer pit lake elevation of 1030 m above sea level. The limit on Springer pit lake elevation is in place to minimize pit lake water from infiltrating into groundwater. This amendment does not authorize use of the tailings storage facility. I am aware that work is ongoing to receive approval for short-term water treatment and discharge that is required to address the water surplus at the mine. I understand that water discharge is required regardless of the site operational status and that granting of this permit amendment does not significantly alter the timing of when a water discharge authorization is required. An application is expected to be received by the Ministry of Environment in the very near future. Water discharge planning for the site has been separated into short- and long-term phases that will require permitting under the *Environmental Management Act*.

### Review by Cariboo Mine Development Review Committee (CMDRC)

The Application was subject to a technical review by the Cariboo Mine Development Review Committee. To assist in my decision making, the CMDRC Chair has provided me with a Recommendations Report that summarizes the review process including the technical issues raised and how they were addressed. This report is entitled, "*Mount Polley Mine Return to Restricted Operations Revision 1, Report and Recommendations by the Cariboo Mine*

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Ministry of  
Energy and Mines

Health, Safety &  
Permitting Branch

Mailing Address:  
PO Box 9320, Stn Prov Govt  
Victoria, BC V8W 9N3  
Fax: (250) 952-0491

Location:  
Sixth Floor,  
1810 Blanshard  
Street  
Victoria

*Development Review Committee Chair with Respect to the Application to Amend Mines Act Permit M-200*", dated June 30, 2015, submitted by CMDRC Chair and Mount Polley Project Manager. I understand that this report has not received input from CMDRC members.

In reviewing the CMDRC Chair's Recommendation Report and associated appendices, I am aware of the technical issues raised during the review of the restricted restart proposal. Issues and concerns raised focused mainly on the mine site water balance and the need to address the requirement for treatment and discharge of surplus water at the mine. Based on this, it is my understanding that the CMDRC Chair required that the company provide the detailed plan for short-term water management to MOE, who has screened this information with input from MEM, Environment Canada, Department of Fisheries and Oceans, the community of Likely, Williams Lake Indian Band and Soda Creek Indian Band. MOE has made an overall assessment that the details present an acceptable approach to short-term water discharge, however there are detailed questions that will need to be addressed during the review of the application.

Additional issues were raised by the CMDRC including the desire for ongoing involvement of the local community, open and transparent information sharing, the need for an updated reclamation and closure plan, updated reclamation security, detailed questions about the hydrogeological assessment, contingency planning related to water management, and many detailed questions about water discharge plans.

I believe the issues raised have been addressed during the review process and accommodated through the proposed the *Mines Act* permit conditions for the restricted restart and related monitoring and reporting requirements. Conditions of this permit amendment include: a limit to the Springer pit lake elevation and weekly reporting requirements, no authorization for use of the tailings storage facility, expectations for information to be included in the updated reclamation and closure plan and information sharing requirements. The limitation on operations to one year and a maximum Springer pit lake elevation are critical components of this amendment in the event that a short-term water discharge permit is not achieved. I am also aware that limitations on operations, monitoring and reporting conditions will be considered for inclusion in the *Environmental Management Act* permit amendment, including development of a long-term water management plan that is developed in consultation with the local community and First Nations.

Issues related to the development of the plans for short-term water treatment and discharge, and associated monitoring requirements will be addressed through the review process that will be completed for that application. I understand that it is the view of some MDRC members that their preference would be to have these issues addressed prior to a restricted restart decision, however I am confident that the process for that application review will ensure that all required technical information is obtained.

### First Nations Consultation

In making this decision, I have considered the information that was gathered during engagement with Williams Lake Indian Band (WLIB) and Soda Creek Indian Band (SCIB) throughout the review process. I have been provided with, and have reviewed, the First Nations Consultation Summary Report, prepared by the Ministry of Forests, Lands and Natural Resource Operations (FLNRO), Cariboo-Chilcotin. I have also been provided with and reviewed communication directly between MEM, MOE and the two bands.

I acknowledge the Mount Polley Mine is located within an area of asserted aboriginal rights and interests. I understand that First Nations have expressed significant concerns throughout the review of this project, particularly in relation to the requirements for permitted water treatment and discharge plans for the mine in the short- and long-term. I understand that both the WLIB and SCIB participated in the CMDRC and shared technical consultants to assist with their review of the proposed Restricted Restart application. Separate meetings were also held between the Province and both bands to assist in sharing information and identifying key concerns related to the project. I understand that all information from the CMDRC review was shared with the WLIB and SCIB throughout the review process.

I have given specific consideration to the issues raised that pertain to the mandate of this Ministry including mine operation, surface and ground water management, water quality, reclamation and closure, and reclamation security estimates. I believe that appropriate permit conditions to address these concerns have been incorporated into the *Mines Act* permit amendment. I am also aware that the *Environmental Management Act* permit will also be considering incorporating numerous monitoring conditions around surface and ground water quality, monitoring, water discharge planning and environmental compliance.

I am of the view that any potential impacts to WLIB and SCIB rights and interests have been appropriately addressed as they relate to the restricted restart of operations at the Mount Polley Mine and that future permitting activities that are expected to be set in motion this month will further address outstanding issues related to water management and discharge. I am aware that the province is also in the process of negotiating an agreement to provide short-term economic accommodation for potential impacts to Aboriginal interests.

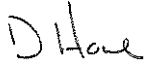
### Public Consultation

A 30 day public consultation period was conducted for this application and I have been provided with a summary of the comments received as well as access to all of the comments that were submitted. The majority of the submission indicated opposition to the proposal, however I believe that concerns have been addressed through the technical review and permit conditions.

The Decision

After careful consideration and review of the information provided to me, and of the conditions included in the *Mines Act* permit amendment, I have decided to issue the *Mines Act* permit amendment M-200 "*Permit Approving Return to Restricted Restart of Operations*", for Mount Polley Mining Corporation's Mount Polley Mine.

Yours Truly,

A handwritten signature in cursive script that reads "D Howe".

Diane Howe, MASc, P.Ge  
Deputy Chief Inspector of Mines