

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

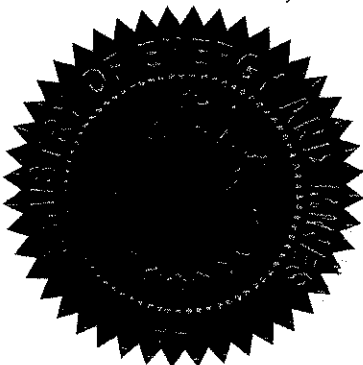
July 11, 1997

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 25th day of February in the year 2016.



for

Al Hoffman

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

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

PERMIT AMENDMENT

**APPROVING UPSTREAM TSF CONSTRUCTION AND
2016 FRESHET WATER MANAGEMENT**

Permit: **M-200**

Mine No: **1101163**

Issued to: **Mount Polley Mining Corporation
P.O. Box 12
Likely, British Columbia
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for work located at the:

Mount Polley Mine

Amended at Victoria, British Columbia this 25 day of February in the year 2016.

Sc.



Al Hoffman, P.Eng.
Chief Inspector of Mines

PREAMBLE

A letter regarding “Amendment to Permit M-200 (Mount Polley Mine) – 2016 Freshet TSF Contingency Use” (Application, document 1), prepared by Mount Polley Mining Corporation, dated November 19, 2015, and a letter regarding “Site Conditions Update (#5) – Site Water Management and Upstream Tailings Storage Facility (TSF) Construction” (Application, document 2), prepared by Mount Polley Mining Corporation, dated February 2, 2016 were submitted to the Chief Inspector of Mines (Chief Inspector) on the dates listed above. 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:

- Report “Tailings Storage Facility Detailed Design to Elevation 970 m”, prepared by Golder Associates Ltd., dated November 3, 2015. (document 3)

The Application and the supporting documents form the information provided to support the use the tailings storage facility (TSF) for temporary storage of surplus water during the freshet of 2016, and the placement of fill materials upstream of the repaired breach. The upstream fill placement is being permitted prior to the completion of the full review and permitting decisions related to document 3 as recommended by Mount Polley Mining Corporation’s Independent Engineering Review Panel. This work is better completed before freshet water accumulates in the facility.

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 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.

The mine is located in the asserted traditional territory of the Williams Lake Indian Band and Soda Creek Indian Band. The application was referred to both bands for consultation, technical review comments were received verbally from geotechnical consultant to the bands during a site tour on December 17, 2015 and a subsequent conference call on February 12, 2016. A discussion of the proposals occurred at the Mine Development Review Committee meeting on February 4, 2016. A discussion of the draft permit occurred on February 18 and 19, and written comments were received on February 17, 2016.

CONDITIONS

The Chief Inspector hereby approves the application for Upstream TSF Construction and 2016 Freshet Water Management 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 Health, Safety and Reclamation Code for Mines in British Columbia (Code) and the owner, agent or manager (herein called 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 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 applies to the design and placement of upstream fill at the Freshet Embankment 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.
- (b) Operation of the TSF for 2016 freshet water management is a temporary contingency measure and restricted to August 31, 2016.
- (c) The Permittee shall notify the Chief Inspector in writing if the TSF begins to be used to store 2016 freshet water from outside of the TSF catchment area. This notification shall include confirmation of the water quality sampling and reporting frequency for the TSF.

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 M-200 permit.

B. Geotechnical

1. Upstream Fill Design

The design of upstream fill placement at the Freshet Embankment 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, and to the extents and limits identified in the report "Site Conditions Update #5 – Site Water Management and Upstream Tailings Storage Facility Construction" prepared by Mount Polley Mining Corporation.

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. Operation

The Permittee shall ensure that the TSF, including the upstream fill buttress, is operated and monitored in accordance with the Operation, Maintenance and Surveillance (OMS) manual.

4. Monitoring

Existing instrumentation, consisting of vibrating wire piezometers, slope inclinometers, and survey monuments installed in the Main, Perimeter and South embankment dams shall monitor piezometric levels, foundation movement, as well as, rockfill buttress and embankment settlement. Location of instrumentation, instrument reading frequency, trigger levels and actions for various levels of response shall be included in the OMS manual. Records of monitoring shall be kept up to date at the mine and made be available to inspectors upon request.

5. 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 upstream fill

Date: February 25, 2016

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.

All other terms and conditions remain.