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an Imperial Metals company

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September 3rd, 2015

Ministry of Environment
 Mining Operations Environmental Protection
 2080 Labieux Rd.
 Nanaimo, BC
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WEEKLY POST-TSF BREACH REPORT – AUGUST 26TH – SEPTEMBER 1ST, 2015

Rehabilitation Work

Silt Curtain	The turbidity barrier (silt curtain) installed in Quesnel Lake near the outlet of the constructed Edney Creek channel is in good condition.
Monitoring	MPMC staff members conduct environmental monitoring when work in the Hazeltine Creek riparian zone is occurring.
Hazeltine Creek Rehabilitation	<p>Phase one of re-contouring in Hazeltine Creek in Reach 3 is complete, with the exception of the canyon “blow-out” zone. Hazeltine Creek continues to flow out of the new outlet from the lower sedimentation pond, separate from the outlet of Edney Creek, which has been rehabilitated for fish use.</p> <p>This week:</p> <ul style="list-style-type: none"> • Gravel was placed at the base of the fish fence upstream of the weir. • Preparations for cleaning out the lower Hazeltine Creek sedimentation ponds continued. • Wood waste cleanup was carried out in lower Hazeltine Creek.
Edney Creek and Adjacent Quesnel Lake Shoreline	Edney Creek and adjacent Quesnel Lake shoreline rehabilitation work was completed for the season last week. This week access roads to the Edney Creek floodplains were removed.

Water Management

<p>Polley Lake</p>	<p>Polley Lake water elevation = 922.17m (September 1st) The Polley Lake weir valve remained open this week to allow approximately 0.15 m³/s of outflow from Polley Lake into Hazeltine Creek.</p>
<p>Water Management</p>	<p>All water from the Tailings Storage Facility (TSF) water collection system continues to be transferred to the Springer Pit via the Central Collection Sump (CCS). No releases of water to the environment occurred this week. Dewatering from the Springer Pit to the CCS via the West Ditch is ongoing to supply water for: the turbomisters at the Main Seepage Pond; dust suppression sprinklers on the TSF; and, process water to the Mill.</p> <p>Please refer to the May 28th, 2015 weekly report for an overview map of the TSF water management system.</p>
<p>Springer Pit</p>	<p>The total volume of tailings deposited in the Springer Pit as of September 1st is 287,513 tonnes (208,343 m³ including water retained in tailings)</p> <p>Water Elevations (September 1st):</p> <ul style="list-style-type: none"> • Springer Pit = 1018.72m (-0.05m from last week) • Groundwater well GW12-2a = 1013.31m (+0.11m from last week) • Groundwater well GW12-2b = 1013.40m (+0.08m from last week) • Groundwater well GW15-1a = 1019.39m (+0.30m from last week) • Groundwater well GW15-1b = 1019.31m (+0.27m from last week) • Groundwater well GW15-2a = 1021.81m (+0.03m from last week) • Groundwater well GW15-2b = 1022.11m (+0.03m from last week) <p>A map of the groundwater well locations is included as Figure 1 of the July 23rd weekly report. Note that the suffix “a” indicates the deep well in the pair, and the suffix “b” indicates the shallow well in the pair.</p> <p>Monthly water quality results for parameters of interest from the Springer Pit supernatant and adjacent groundwater wells will be included in this report as they become available. Results for key parameters from a sample collected of the Springer Pit supernatant on August 12th are provided in Table 1. Results from July samples (taken prior to return tailings deposition in the Springer Pit) are provided for context.</p>
<p>Discharge System</p>	<p>Work related to installation of infrastructure for the proposed short-term water discharge plan was carried out this week including:</p> <ul style="list-style-type: none"> • Construction of a pad and access road for the water treatment plant continued. • Culverts for the water treatment plant pumps were installed. • Construction of the Quesnel Lake discharge pipeline grade continued.

Table 1. Water chemistry results from the Springer Pit supernatant (station E11)

Sample Location		E11 - Springer Pit Supernatant		
Date Sampled		09-Jul-15	29-Jul-15	12-Aug-15
Parameter	Units	Water		
Physical Tests				
Conductivity	uS/cm	1070	1090	1070
Hardness (as CaCO3)	mg/L	526	579	547
pH	pH	8.03	8.12	8.27
Total Suspended Solids	mg/L	<3.0	<3.0	20.40
Turbidity	NTU	0.60	1.47	10.30
Anions and Nutrients				
Nitrate (as N)	mg/L	7.46	7.58	7.4500
Sulfate (SO4)	mg/L	457	472	459.0
Total Metals				
Aluminum (Al)-Total	mg/L	0.438	0.0791	0.195
Arsenic (As)-Total	mg/L	0.00132	0.00138	0.00576
Cadmium (Cd)-Total	mg/L	0.0000358	<0.000060	0.0000565
Copper (Cu)-Total	mg/L	0.0211	0.0804	0.138
Iron (Fe)-Total	mg/L	0.039	0.124	0.235
Lead (Pb)-Total	mg/L	<0.000050	0.000185	0.000198
Molybdenum (Mo)-Total	mg/L	0.122	0.128	0.139
Selenium (Se)-Total	mg/L	0.0365	0.0383	0.0375
Dissolved Metals				
Aluminum (Al)-Dissolved	mg/L	0.0059	0.0048	0.0062
Arsenic (As)-Dissolved	mg/L	0.00117	0.00117	0.00112
Cadmium (Cd)-Dissolved	mg/L	0.000026	<0.000050	0.0000478
Copper (Cu)-Dissolved	mg/L	0.0166	0.0286	0.0240
Iron (Fe)-Dissolved	mg/L	<0.030	<0.030	<0.030
Lead (Pb)-Dissolved	mg/L	<0.000050	<0.000050	<0.000050
Molybdenum (Mo)-Dissolved	mg/L	0.122	0.124	0.127
Selenium (Se)-Dissolved	mg/L	0.0357	0.0389	0.0361

Government, First Nations and Stakeholder Engagement

Publications and Website Updates	Mount Polley will continue to present interpreted environmental monitoring results and updates on remediation work on the Mount Polley Updates page of the Imperial Metals website (www.imperialmetals.com). No updates were posted this week.
Engagement Activities and Communications with Regulators	<p>Activities relating to government, First Nations, and stakeholder communication and engagement this week included:</p> <ul style="list-style-type: none"> • The weekly Ministry of Environment (MoE) update call on August 26th. • Community meetings in Williams Lake and Quesnel on August 26th and August 27th, respectively. • A tour of fish habitat rehabilitation work with First Nations staff and their consultant on September 1st.

Environmental Monitoring Program

Water Quality Monitoring Program	<p>The current water quality monitoring program is outlined in the table below. All sampling was completed as scheduled this week and in the month of August. Hazeltine Creek continues to enter Quesnel Lake from the new lower sedimentation pond outflow. Sampling stations will remain adjusted as follows until otherwise noted:</p> <ul style="list-style-type: none"> • Station EDC-02 is not being sampled; it is no longer relevant because Hazeltine and Edney Creeks are Quesnel Lake as separate outflows. • Stations QUL-54, QUL-55, and QUL-56 have been shifted from the mouth of the combined Edney/Hazeltine outflow channel to the mouth of the new outflow channel from the lower sedimentation pond into Quesnel Lake. These stations are named QUL-54a, QUL-55a, and QUL-56a. • Station HAC-01b at the outflow of the lower sedimentation pond has been moved to station HAC-01c at the new outflow from the lower sedimentation pond. • The continuous monitoring sonde at HAC-01b has been temporarily removed. <p>Supplemental sampling of Cariboo River and quarterly chronic toxicity testing of Polley Lake (P2 surface), Quesnel Lake (QUL-55a surface) and Quesnel River (QUR-1) were conducted last week.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Area</th> <th>Monitoring Type</th> <th>Frequency</th> <th>Stations</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Polley Lake</td> <td>Samples</td> <td>Monthly</td> <td>P1, P2</td> </tr> <tr> <td>Profiles</td> <td>Bi-monthly</td> <td>P1, P2</td> </tr> <tr> <td rowspan="3">Hazeltine Creek</td> <td rowspan="2">Samples</td> <td>Weekly</td> <td>HAC-01b</td> </tr> <tr> <td>Monthly</td> <td>HAC-05, HAC-08, HAC-10</td> </tr> <tr> <td>Field Parameters</td> <td>Continuous</td> <td>HAC-01b</td> </tr> <tr> <td rowspan="2">Edney Creek</td> <td rowspan="2">Samples</td> <td>Weekly</td> <td>EDC-02</td> </tr> <tr> <td>Monthly</td> <td>EDC-01</td> </tr> <tr> <td rowspan="5">Quesnel Lake</td> <td>Profiles</td> <td>Weekly</td> <td>QUL-54, QUL-55, QUL-56</td> </tr> <tr> <td>Profiles</td> <td>Bi-monthly</td> <td>QUL-21a, QUL-18, QUL-66a, QUL-2a, QUL-79</td> </tr> <tr> <td>Profiles</td> <td>Monthly</td> <td>QUL-40a, QUL-120a</td> </tr> <tr> <td>Samples</td> <td>Weekly</td> <td>QUL-55</td> </tr> <tr> <td>Samples</td> <td>Monthly</td> <td>QUL-2a, QUL-18, QUL-40a, QUL-120a</td> </tr> <tr> <td rowspan="2">Quesnel River</td> <td>Samples</td> <td>Bi-monthly</td> <td>QUR-1</td> </tr> <tr> <td>Field Parameters</td> <td>Continuous</td> <td>QUR-1</td> </tr> </tbody> </table> <p>Please refer to previous weekly reports, such as the May 7th, 2015 report, for a map of these sampling locations.</p>	Area	Monitoring Type	Frequency	Stations	Polley Lake	Samples	Monthly	P1, P2	Profiles	Bi-monthly	P1, P2	Hazeltine Creek	Samples	Weekly	HAC-01b	Monthly	HAC-05, HAC-08, HAC-10	Field Parameters	Continuous	HAC-01b	Edney Creek	Samples	Weekly	EDC-02	Monthly	EDC-01	Quesnel Lake	Profiles	Weekly	QUL-54, QUL-55, QUL-56	Profiles	Bi-monthly	QUL-21a, QUL-18, QUL-66a, QUL-2a, QUL-79	Profiles	Monthly	QUL-40a, QUL-120a	Samples	Weekly	QUL-55	Samples	Monthly	QUL-2a, QUL-18, QUL-40a, QUL-120a	Quesnel River	Samples	Bi-monthly	QUR-1	Field Parameters	Continuous	QUR-1
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<p>Water Quality Monitoring Results</p>	<p>Figure 1 is a time series graph of field turbidity readings in lower Hazeltine Creek upstream of the sedimentation ponds and downstream of the ponds, at the outflow into Quesnel Lake. The graph shows data since construction and armouring of the new Hazeltine Creek channel was completed in mid-May.</p> <p>Figure 2 shows a turbidity and temperature profile from this week at site QUL-55a, near the mouth of the new outflow channel from the lower Hazeltine Creek sedimentation pond to Quesnel Lake.</p> <p>Figure 3 shows a time series graph of turbidity at site QUR-1. Turbidity data are from laboratory analysis completed by ALS Environmental. This chart will be updated every second week, as per the monitoring frequency of this station in the sampling program.</p>
<p>Other Monitoring Programs</p>	<p>Following completion of the Post-Event Impact Assessment Report, MPMC has moved on to the next phase of monitoring following the tailings dam failure, which includes carrying out recommendations made in the Post-Event Impact Assessment Report. Minnow Environmental continued a sediment and benthic invertebrate monitoring program on site this week in areas including Polley Lake, Hazeltine Creek, and Quesnel Lake.</p> <p>Collection of remaining vegetation metal uptake samples from the Hazeltine Creek area, as part of the Human Health and Ecological Risk Assessment, was carried out this week.</p>

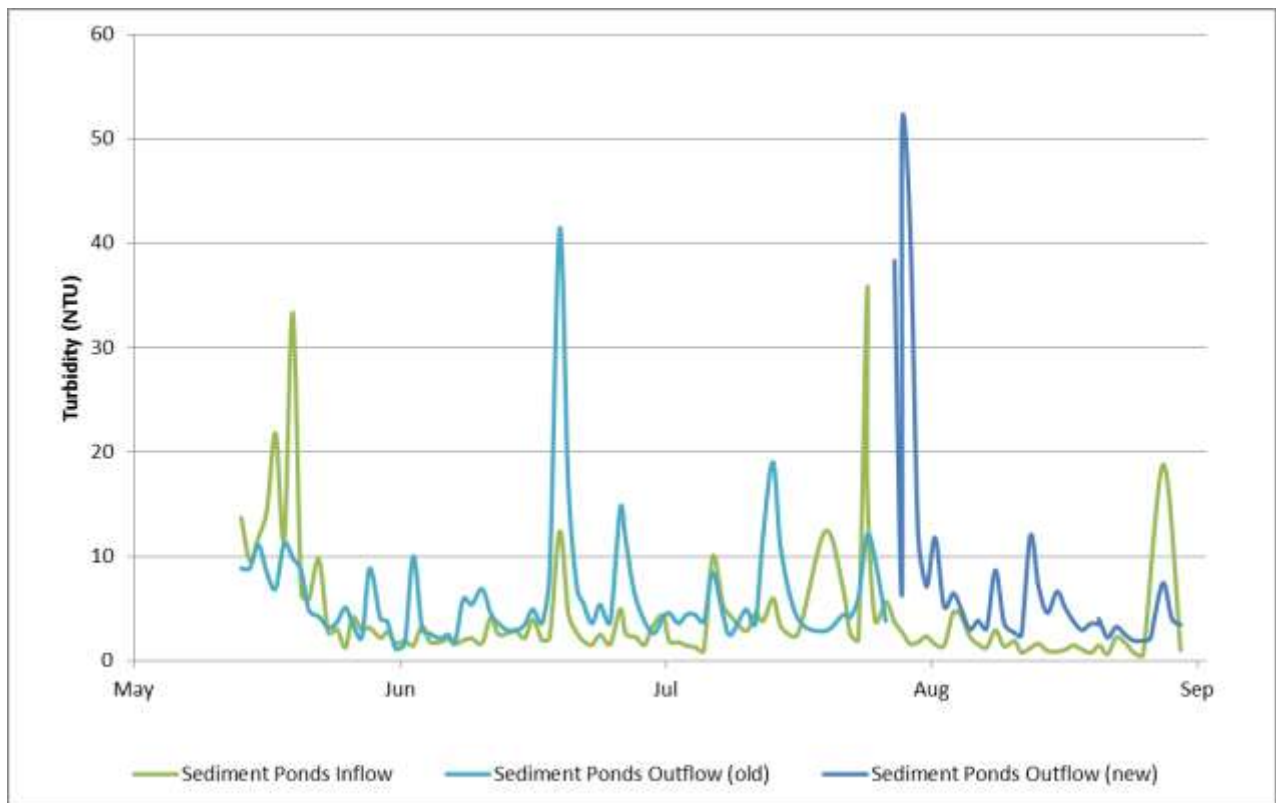


Figure 1. Time series graph for May 13th – August 31st showing turbidity levels at monitoring locations in lower Hazeltine Creek

Note: outflow from the Hazeltine Creek lower sedimentation pond now flows into Quesnel Lake via a new, channel, separate from the outflow of the rehabilitated Edney Creek channel.

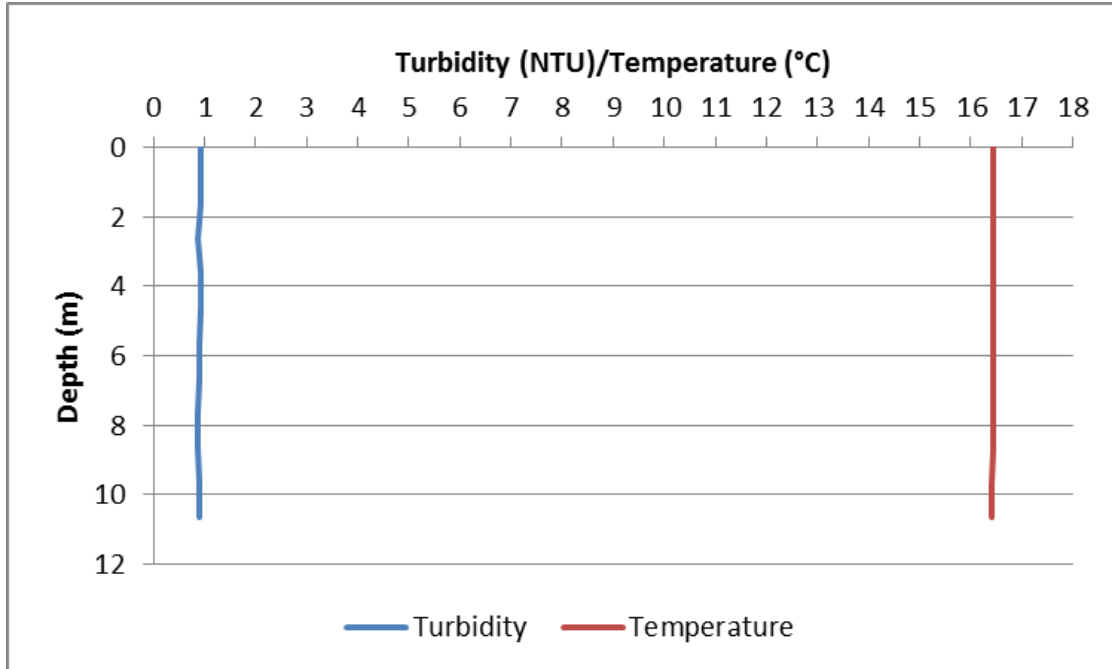


Figure 2. Turbidity and temperature profiles at station QUL-55a (at the mouth of the new outflow channel from the Hazeltine Creek lower sedimentation pond) on August 31st



Figure 3. Turbidity time series at station QUR-1 (August 6th, 2014 – August 24th, 2015)