

Mount Polley Mining Corporation

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Via Email: Douglas Hill, P.Eng. BC Ministry of Environment, and Climate Change Strategy Regional Operations Director – Mining Environmental Protection

RE: Pollution Abatement Order 107461

2018 QUARTER 3 UPDATE REPORT

This report satisfies the requirement of Section 6.0 of Pollution Abatement Order (PAO) 107461 last amended June 9, 2017. This report includes a summary of PAO-related activities undertaken in the previous three months and a projection of planned activities for the upcoming three months in regards to the:

- Implementation status of the requirements of this order;
- Summary of communications with stakeholders and the public relating to the TSF breach and its impacts; and
- Activities taken by MPMC towards the restoration and contaminant remediation efforts in the spill-impacted area of Hazeltine Creek, Polley Lake and Quesnel Lake.

For previous information, see the Quarter 2 Update Report available on the Imperial Metals website <u>here</u>.

Implementation Status of PAO Requirements

All deliverables under the amended PAO 107461 have been submitted. Below is a summary of their status:

The Conceptual Remediation Plan was submitted on January 31, 2018 and is presently under review by the Ministry of Environment and Climate Change Strategy (ENV).

Communications

The Community Update Newsletter for the third quarter was published in October on the MPMC <u>website</u> and distributed to the surrounding communities.

MPMC met with the Public Liaison Committee (PLC) on August 16, 2018 to discuss environmental and operational updates as well as the status of PLC in terms of inter-committee relations, purpose of the PLC, core values needed, membership status, and possible amendments to the Terms of Reference.

MPMC also holds monthly call-in meetings with ENV to discuss various compliance and remediation matters. Communication with ENV was held on July 10, August 14, and September 11, 2018. An ENV tour was held on July 17, 2018.

The Habitat Remediation Working Group (HRWG) tour, with representation from ENV, FLNROD, First Nations, and DFO, was held on August 8, 2018. Communication with the HRWG was held on July 9 and 23, August 6 and 20, and September 13, 2018 to discuss fish in Hazeltine Creek and ongoing remediation projects in breach-affected areas.

The Technical Research Committee on Reclamation (TRCR) held their annual mine tour on September 17, 2018 at Mount Polley as part of their symposium. MPMC hosted 125 industry professionals and various stakeholders on the mine site, highlighting remediation of breach-affected and mine reclamation areas.

MPMC invited students from Columneetza Middle School's Greenologist club to participate in the release of hatchery rainbow trout to Polley Lake on September 26, 2018. The students also toured the upper remediated reaches of Hazeltine Creek.

Implementation Status of PAO Requirements

Quarter 4 communications/meetings:

MPMC met with the PLC on Oct 2, 2018 and with the Mining Association of Canada and their Community of Interest Panel to discuss environmental and operational updates. Terms of Reference were scheduled to be discussed at this meeting, however due to weather conditions, this discussion has been rescheduled.

A Williams Lake Indian Band elder's tour was held on scheduled for October 12, 2018. Eight elders attended, and were taken on a tour of upper and lower Hazeltine Creek.

An Implementation Committee (IC) meeting with Williams Lake and Soda Creek Indian Band was held on October 16, 2018.

A PLC teleconference meeting will be scheduled in November to discuss the status of the Terms of Reference.

Community meetings to review the CRP are planned for December. These will be held in Quesnel, Williams Lake, and Likely.

A Community Update will be published for the fourth quarter of 2018.

Hazeltine Creek Rehabilitation

Construction of fish habitat features in reach 3 of the Hazeltine Creek channel continued in August and finished in early October. Approximately 1 km of channel habitat was completed, including the adjacent terrestrial landscape. Terrestrial landscapes were given a "rough and loose" surficial texture, coarse woody debris was spread and minor terrestrial habitat features were installed.

Planting of conifers plugs along the breach-affected areas continued into mid-July. Fall planting along the remediated Hazeltine Creek corridor is postponed until spring 2019.

Ongoing spawning surveys are completed weekly to monitor fish activity in the previously rehabilitated reach 1 (2016) and reach 2 (2017). The fish fence remains in place just above the Gavin Lake Road Bridge while upcoming work is still scheduled for reach 3.

Polley Flats

No remediation work was undertaken in the Polley Flats area in Q3.

Quesnel and Polley Lake

No remediation work was undertaken around Quesnel and Polley Lake in Q3 2018. Periodic inspection of shoreline conditions was completed.

Projected Remediation – Q4 2018

Ground cover seeding is planned for the terrestrial areas adjacent to the recent creek channel work. Minor drainage repair and construction is planned for small areas in reach 3. Minor channel repair work is planned for a small eroded section of Edney Creek and minor channel repair is planned for a small area adjacent to the newly installed fish exclusion fence at lower Hazeltine Creek.