

Mount Polley Mining Corporation

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January 24, 2018 Via Email: Douglas Hill, P.Eng. BC Ministry of Environment Regional Operations Director – Mining Environmental Protection

RE: Pollution Abatement Order 107461

2017 QUARTER 4 UPDATE REPORT

Mount Polley Mining Corporation (MPMC) received an amendment to Pollution Abatement Order (PAO) 107461 from the Ministry of Environment, and Climate Change Strategy (ENV) on June 9, 2017 requiring the submission of a status update report on a quarterly basis, (from a monthly schedule) focusing on the requirements of the PAO. The reporting frequency was amended to reflect the stability of conditions and monitoring results.

This report satisfies the requirement of Section 6.0 of the amended PAO. In general, this report will include a summary of 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 3 Update Report available on the Imperial Metals website <u>here</u>.

On November 8, 2017, ENV staff conducted an office review of MPMC's Q3 Update Report and found the MPMC was in compliance with the reporting requirements for the PAO.

Implementation Status of PAO Requirements

The final Human Health Risk Assessment was submitted to ENV on May 29, 2017 and was accepted by ENV on June 28, 2017. The draft Ecological Risk Assessment (ERA) was submitted to ENV on June 30, 2017. An extension was granted due to the wildfire situation and the final ERA was submitted on October 2, 2017. The first submission of the ERA was not approved, and the revised document was submitted on December 15, 2017. This document has not yet been accepted by ENV.

Due to the wildfire situation, the submission deadline for the Conceptual Remediation Plan (CRP) was changed to November 30, 2017. A further extension was granted by ENV, and the CRP is now planned for submission on January 31, 2018.

The draft Discharge Management Plan was submitted on July 15, 2017. An extension was granted due to the wildfire situation and the final version of the plan was submitted on October 16, 2017. The Discharge Management Plan was accepted by ENV on November 16, 2017.

Communications

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

MPMC met with the Public Liaison Committee (PLC) on October 5, 2017 to discuss the ongoing remediation activities, site and monitoring updates as well as present an overview of the Human Health and Ecological Risk Assessment. Another PLC meeting was held on November 16, 2017 to discuss MPMC's Conceptual Remediation Plan.

MPMC held a community meeting in Williams Lake on November 16, 2017 and another in Likely on November 17, 2017 to discuss MPMC's CRP and the Human Health and Ecological Risk Assessment.

Upcoming communications/meetings:

MPMC will host a teleconference call with interested members of the public to discuss the CRP on January 10, 2018.

A meeting with the Public Liaison Committee (PLC) to discuss the ongoing remediation activities, site, and monitoring updates is currently scheduled for February 15, 2018.

Another Community Update will be published during the first quarter of 2018.

Rehabilitation Work

Hazeltine Creek Rehabilitation

Due to weather related restrictions minor work was completed in the Hazeltine Creek channel in Q4 2017. The work primarily involved the installation of the Quesnel Lake Discharge Pipeline under the creek channel. This work did not disturb any previously constructed creek channel work, though it did disturb a small area of previously remediated upland area. This area will be added to the remediation plan for 2018.

Upland areas in Reach 2 were prepared for planting. The work included surficial roughening, placement of coarse woody debris, and installation of habitat features (avian perching and small mammal denning).

Fall planting and seeding occurred through October and into November, 2017. MPMC Native Seed Blend was broadcast throughout the target area and collected native seed was dispersed in the lower floodplain in Reach 2. The planting occurred primarily in the Polley Flats area and the lower floodplain in Reach 2. Planting will resume in the spring of 2018.

Additional primary drainage was constructed in the Polley Flats area and further remediation planning for the removal of the south portion of the Plug Access Road was initiated.

Harvesting of on-site willow cuttings is planned for the beginning of February. This harvesting will take approximately four weeks. The cuttings will be buried until the soil is ready for planting in the lower floodplain of Reach 2 in spring 2018.

Polley Flats Tailings Removal

In the Polley Flats area, Lake Excavating Ltd. and MPMC continued to remove deposited tailings. Tailings materials were removed down to native soils exposing underlying topsoil, peat and subsoils.

Total tonnage of materials removed from the Polley Flats area in 2017 was approximately 543,739 tonnes. Once the tailings were removed the site was prepared for planting. The site preparation included surficial roughening, mounding, application of soils, application of coarse woody debris and installation of habitat features (avian perching and small mammal denning).

The remainder of the stockpiled tailings material (~190,000 T) from 2016 remediation work was also removed from the Polley Flats. Much of this material was used for construction of the buttress for the dam and the remainder was stored in the mine area for possible remediation use.

Quesnel and Polley Lake

No remediation work was completed around Quesnel and Polley Lake in Q4 2017. Periodic inspection of shoreline conditions was completed.

Projected Remediation – Q1 2018

No remediation work is planned for the first quarter of 2018 due to the winter conditions on site.