

Mount Polley Mining Corporation

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

RE: Pollution Abatement Order 107461

JANUARY 2017 UPDATE REPORT

Mount Polley received an amendment to Pollution Abatement Order (PAO) 107461 from the Ministry of Environment on November 30, 2016 requiring the submission of an update report on a monthly basis, rather than weekly, that focusses on the requirements of the PAO. The reporting frequency was amended to reflect the stability of conditions and monitoring results. The information and content that is provided in this report has also been updated, focussing solely on the PAO.

Mount Polley received an additional amendment to the PAO on January 19, 2017 requiring that this report and all other reports required under the PAO be sent to all regulatory agencies, First Nations, and Stakeholders.

For previous results see the December 2016 Update Report, available on the Imperial Metals website:

https://imperialmetals.com/assets/docs/mt-polley/MPMC-Monthly-Report-Dec-2016.pdf

Rehabilitation Work

Hazeltine Creek Rehabilitation

Rehabilitation work at upper Hazeltine Creek has been completed for 2016. There was no additional remediation work conducted in Hazeltine Creek in January due to winter conditions.

Mount Polley will begin a willow collection program in February in anticipation of a remedial planting program in the Spring once the ground is workable.

Deliverables Status Update

The Draft Human Health Risk Assessment was submitted January 31, 2017.

Environmental Monitoring Program

All monitoring conducted in the creek is outlined in the Comprehensive Environmental Monitoring Plan (CEMP) approved under *EMA* Permit 11678. As there was no work conducted in the creek in January, there was no additional monitoring.