



COMMUNITY UPDATE Q3 2021

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A letter from the Mount Polley Team,

Happy fall everybody. Our team at Mount Polley hopes that this finds you well.

Things at the mine continue to get busier as we prepare for a mine re-start along with our routine care and maintenance activities. We have had many visitors to the site over the past few months, most of whom were contractors conducting work for the mine, but we have also offered several open-air tours covering various aspects of the mine. As we move closer to the end of the pandemic, we look forward to offering more opportunity for community engagement and more in-person tours.

MOUNT POLLEY MINE: CARE AND MAINTENANCE

Below we cover key bulletins that highlight areas of focus with regards to Mount Polley mine's care and maintenance:

1. The environmental monitoring programs continue and are on track

2. Closure research projects continue as planned

3. Site water management continues, including the near-continuous operation of the water treatment plant

4. CANMAG plant maintenance and upkeep

5. Lower Hazeltine Remediation area continues to be monitored and maintained

ENVIRONMENTAL MONITORING UPDATE

Quarter 3 routine monitoring activities completed:

- Weekly Water Treatment Plant (WTP) water quality sampling including monthly/quarterly toxicity sampling
- Monthly water quality sampling at Hazeltine Creek
- Monthly & Quarterly water quality sampling of surface & mine affected waters including groundwater mine seepage
- Flow monitoring
- Polley Lake, Bootjack Lake, Quesnel Lake water quality sampling
- Water quality sampling and monitoring of in pit treatment at Springer and Cariboo pits
- Monthly/quarterly site inspections
- Reporting—monthly, quarterly, annual
- Specialized monitoring components including plankton, Polley Lake fish population, fish tissue, habitat characterization, wildlife
- CEMP development/revision

Environmental monitoring is conducted in accordance with the Environmental Management Act (EMA) Permit 11678, Metal and Diamond Mining Effluent Regulations and the approved Comprehensive Environmental Monitoring Plan (CEMP) requirements.



Figure 1 Hoop nets being prepared for deployment into Polley Lake during fish population field work



Figure 2 Newly installed H2 hydrological monitoring station. The original station was removed to facilitate instream remediation



Figure 3 Lynx observed near Hazeltine

MPMC WATER TREATMENT PLANT UPDATE

In Quarter 3, the total treated water discharged to Quesnel Lake was $\sim 1,882,460 \text{ m}^3$ with an average discharge rate of $\sim 0.243 \text{ m}^3/\text{second}$ and an average of $\sim 20,462 \text{ m}^3/\text{day}$.

The plant operated continuously for most of Quarter 3. Water quality samples were collected weekly at the Water Treatment Plant (WTP) influent (E19) and effluent (HAD-3) sites throughout the quarter.

WATER TREATMENT PLANT UPDATE

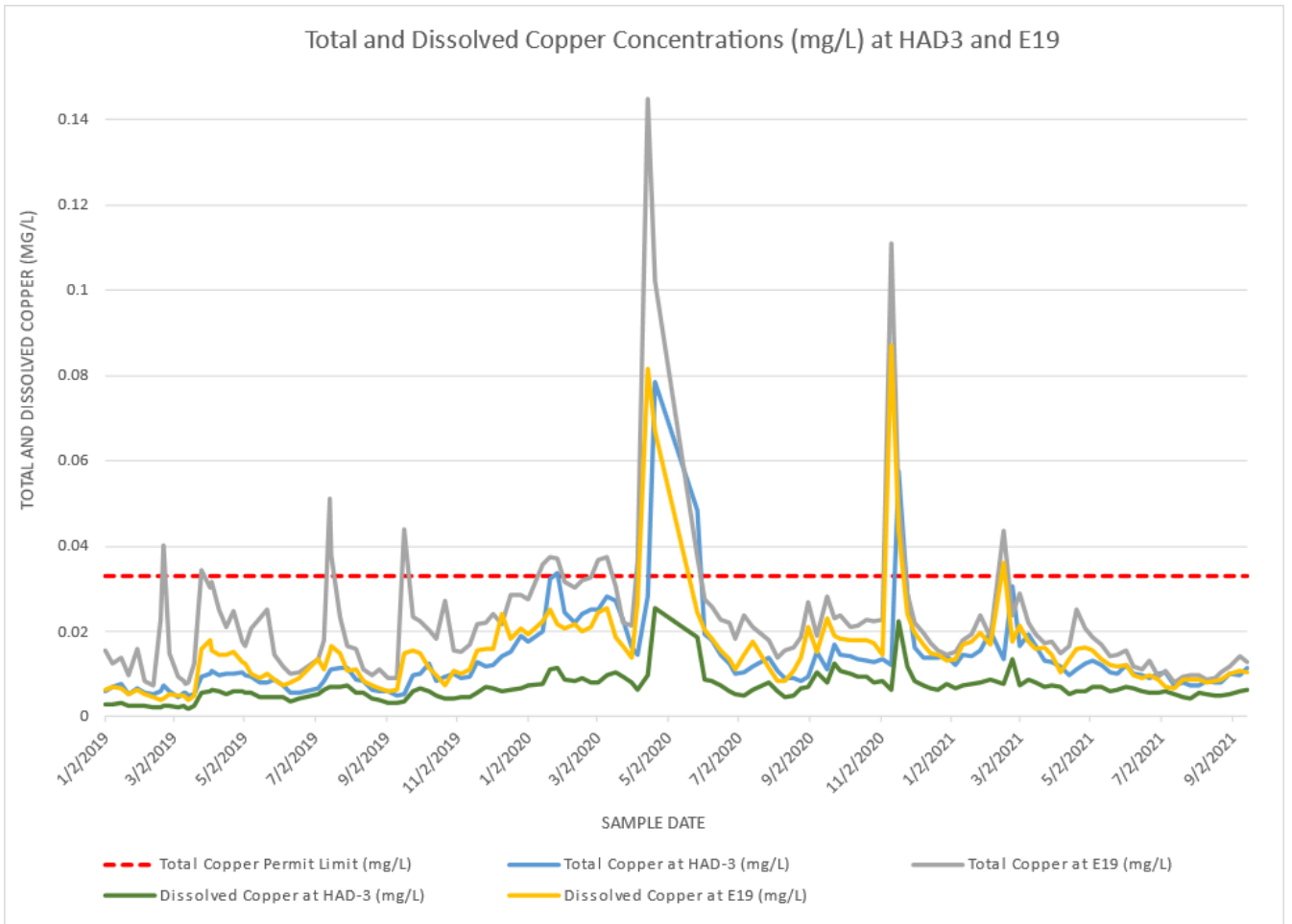


Figure 4 Copper concentrations at the water treatment plant. Improved handling water systems installation occurred at the beginning of March 2021, yielding better results with lower copper concentration.

WATER TREATMENT PLANT UPDATE

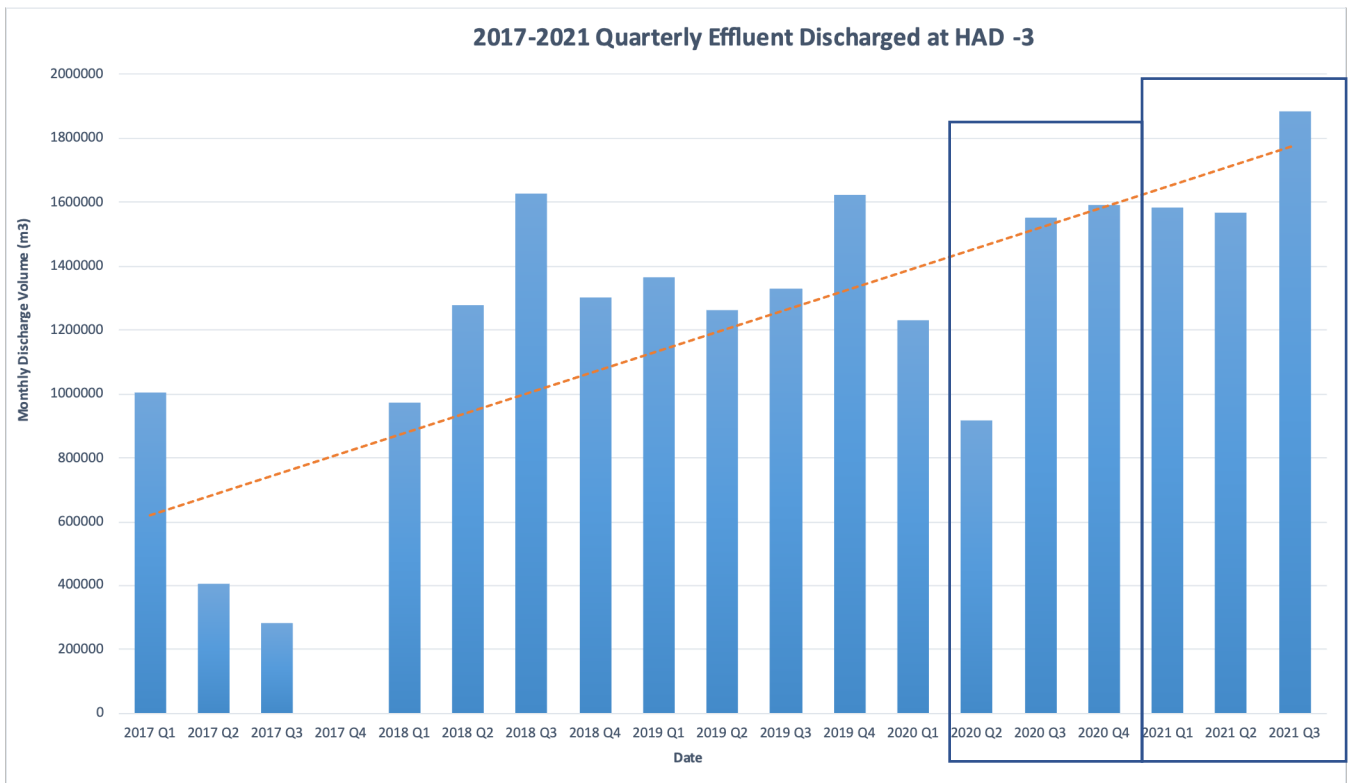


Figure 5 Quarterly effluent discharge volumes. Improved water handling system enabled water treatment plant to operate virtually continuously in 2021. Hence, should be able to discharge 6.5Mm³ in 2021 compared to 5.0Mm³ in 2020.

HAZELTINE AND EDNEY CREEK REMEDIATION

Instream construction in Hazeltine and Edney Creeks was completed and finished in Q3 2021. The work marks an important milestone for the remediation project, all instream work is now completed. The work was completed in time for the annual salmon migration in the region and salmon did arrive in Hazeltine Creek in mid-September. A total of 206 sockeye salmon were observed on September 22 and the fish appeared to be using the habitat as intended. The presence of sockeye salmon and various other fish species is indicating that the remedial work is restoring ecological function. This is not only evident in the aquatic environments but also evident across the terrestrial landscape where plant communities are developing and abundant wildlife is observed. It is expected that as both the aquatic and the terrestrial ecosystems mature, further ecological function will emerge and the site will host an even broader array of organisms.

There is still outstanding terrestrial remediation work to be done. Planting will resume next spring to address the disturbances created by the 2020/21 construction. Earthworks are planned for several small areas within the Hazeltine Creek corridor and the Polley Lake shoreline. Future planned work will involve recontouring existing topographical features, planting and monitoring.

Remediation Update Gallery (*next page*)



Figure 6 Surficial roughening treatment on the lower floodplains in Reach 5 of Hazeltine



Figure 7 Sockeye salmon in Hazeltine Creek above the Ditch Road bridge



Figure 8 Sockeye salmon using newly constructed Hazeltine Creek channel in Reach 5

RE-START UPDATE

At peak production, MPMC employed approximately 390 employees. In Care & Maintenance, MPMC employs 15 full time staff, including three Environmental Technicians. Currently there are several contractors working at site on electrical maintenance and upgrades, mobile equipment servicing and upgrades and mill assessment, maintenance and refurbishing. We expect to begin some mining work in the Springer pit in Q4.



Figure 9 Staff assessing mill gear teeth



Figure 10 Mill maintenance is underway at Mount Polley Mine

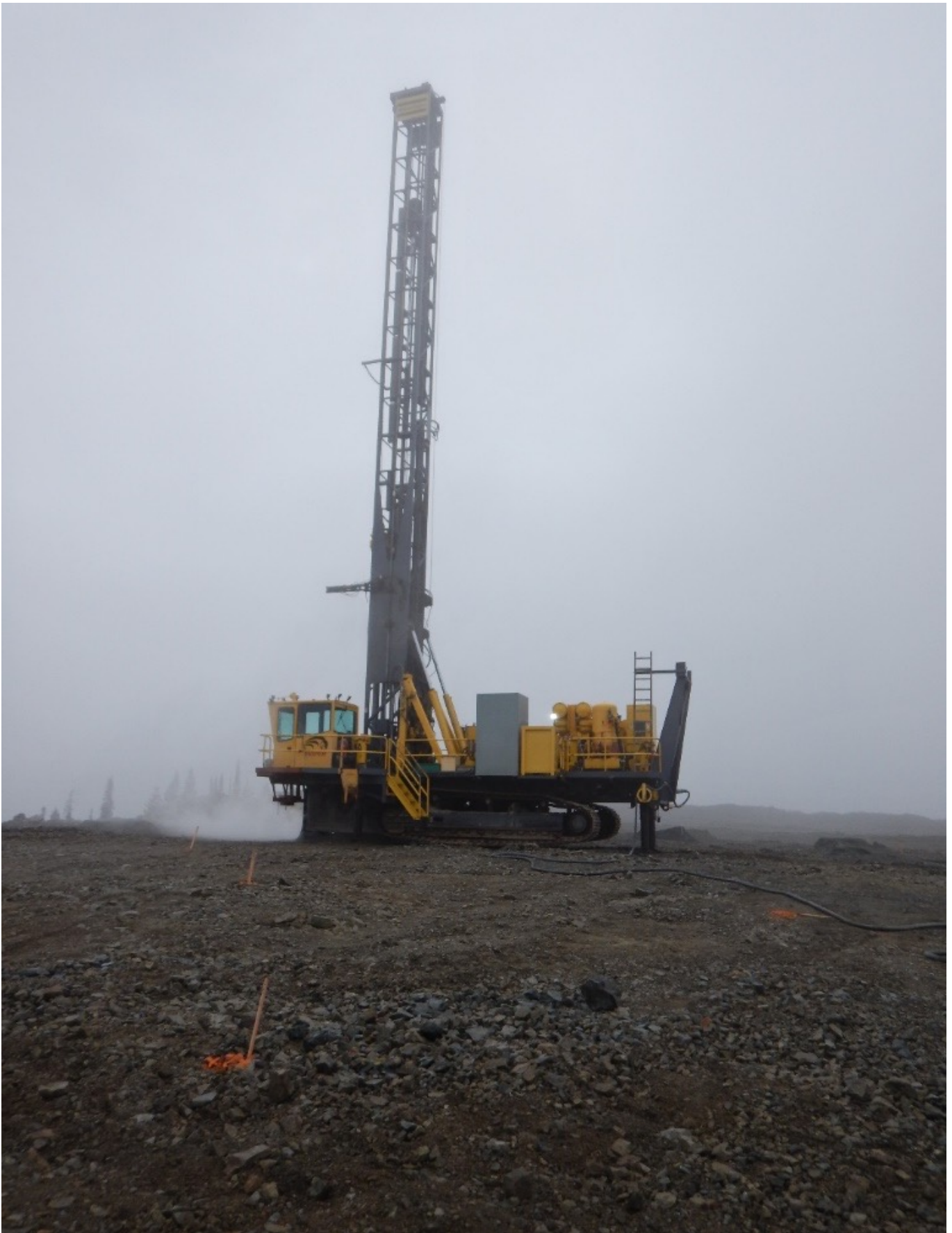


Figure 11 Drill at work, the first holes since 2019.

MPMC EVENTS

Quarter 3, 2021

July 14, 2021

Public Liaison Committee (PLC) Meeting via conference call

Quarter 4, 2021

October 6, 2021

T'exelcenc and Xat'süll Elders Tour - Remediation focused

October 7, 2021

Annual Community Meeting and Tour - In person, outdoors

October 12, 2021

Forest, Lands and Natural Resource Operations Tour - Remediation focused

November 3, 2021

Public Liaison Committee (PLC) Meeting via conference call

RESOURCES

mountpolley.com

imperialmetals.com

BC Mine Information Page: <https://mines.nrs.gov.bc.ca/>

BC Ministry of Environment Natural Resource and Enforcement Database:
<https://a100.gov.bc.ca/pub/ocers/searchApproved.do?submitType=menu>

If you have any questions regarding the Community Update, please email Gabriel Holmes at gabriel.holmes@mountpolley.com