



COMMUNITY UPDATE Q4 2021

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A letter from the Mount Polley Team,

The Mount Polley mine team hopes that this finds you well and healthy.

We are continuing to prepare for the Mount Polley mine restart and continue routine care and maintenance activities. There are many contractors on site who are actively recruiting talent for restart preparations and full operations. If you are interested in a career in mining, please contact us at hr@mountpolley.com.

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: RESTART

Areas of focus as Mount Polley transitions from care and maintenance to operations:

- 1Drilling and blasting
- Mill and mine site repairs and upgrades
- Electrical systems assessment and upgrades
- Mobile equipment procurement, repairs, and upgrades
- Site cleanup and general repairs
- CANMAG magnetite plant maintenance and upkeep



Figure 1 Limited pit operations have resumed in the Springer Pit.



Figure 2 Truck hauling ore to the stockpile

ENVIRONMENTAL MONITORING UPDATE

2021 Quarter 4 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
- Water quality sampling and monitoring of in pit treatment at Springer and Cariboo pits
- Monthly/quarterly site inspections
- Environmental monitoring reporting provided on a monthly, quarterly, and annual basis
- Comprehensive Environmental Monitoring Plan ('CEMP') development and revised



Figure 3 Ground water sampling equipment



Figure 4 River Otters caught on a wildlife camera near the Quesnel Lake shoreline

MPMC WATER TREATMENT PLANT OPERATIONS UPDATE

In 2021 Quarter 4, the total treated water discharged to Quesnel Lake was $\sim 1,680,605 \text{ m}^3$ with an average daily discharge of $\sim 18,267 \text{ m}^3/\text{day}$.

The plant operated continuously for most of the quarter. Water quality samples were collected weekly at the WTP influent (E19) and effluent (HAD-3) sites throughout the this period. Routine toxicity testing was completed on a monthly basis.

On October 27, 2021 a total copper exceedance was observed at the end of pipe sample location HAD-3, triggering a plant shut down and investigation. The root cause was found to be a combination of water chemistry changes in the source water and high throughput at the plant. The event triggered a response under our Annual Discharge Plan that included a plant shut down, placing the plant in recirculation mode (not discharging to the environment), requiring additional sampling and further investigation. Sampling was conducted in Quesnel Lake on the same day and the results indicated that the waters met the BC Water Quality Guidelines for drinking water and aquatic life.

MPMC has applied to amend its Environmental Management Act permit 11678 to extend the discharge period to Quesnel Lake from 2022 to 2025. This is an interim measure while a broader set of amendment requests are being prepared to allow for further mine development. A future permit amendment application will request that the discharge period to Quesnel Lake be extended until the end of the mine life. This amendment process is being conducted jointly with both the Ministry of Environment and Climate Change Strategy and the Ministry of Energy, Mines and Low Carbon Innovation (EMLI).

WATER TREATMENT PLANT PERFORMANCE UPDATE

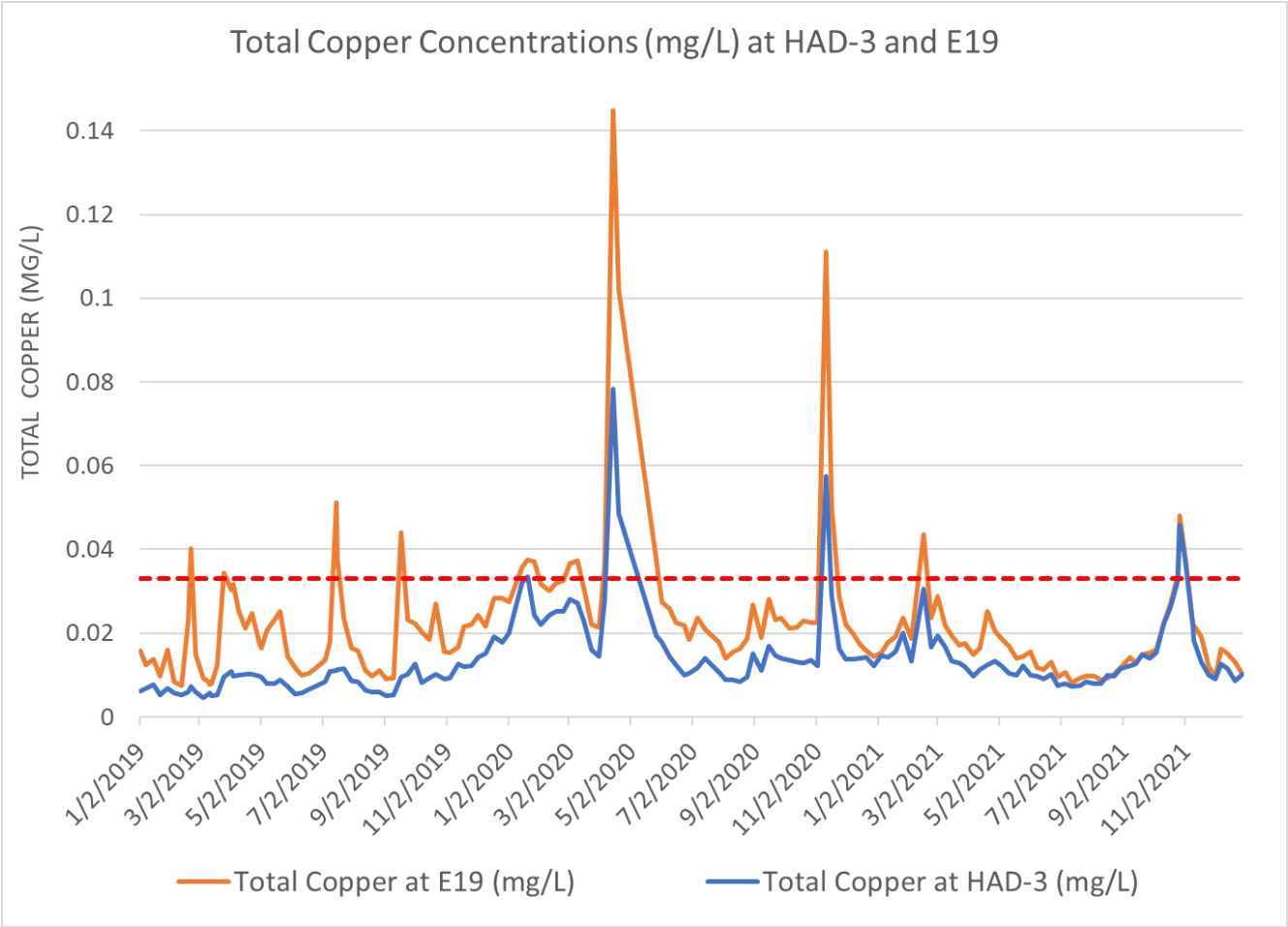


Figure 5 Total copper concentrations in parts per million (mg/L) in the influent and effluent of the Actiflo® water treatment plant

WATER TREATMENT PLANT PERFORMANCE UPDATE

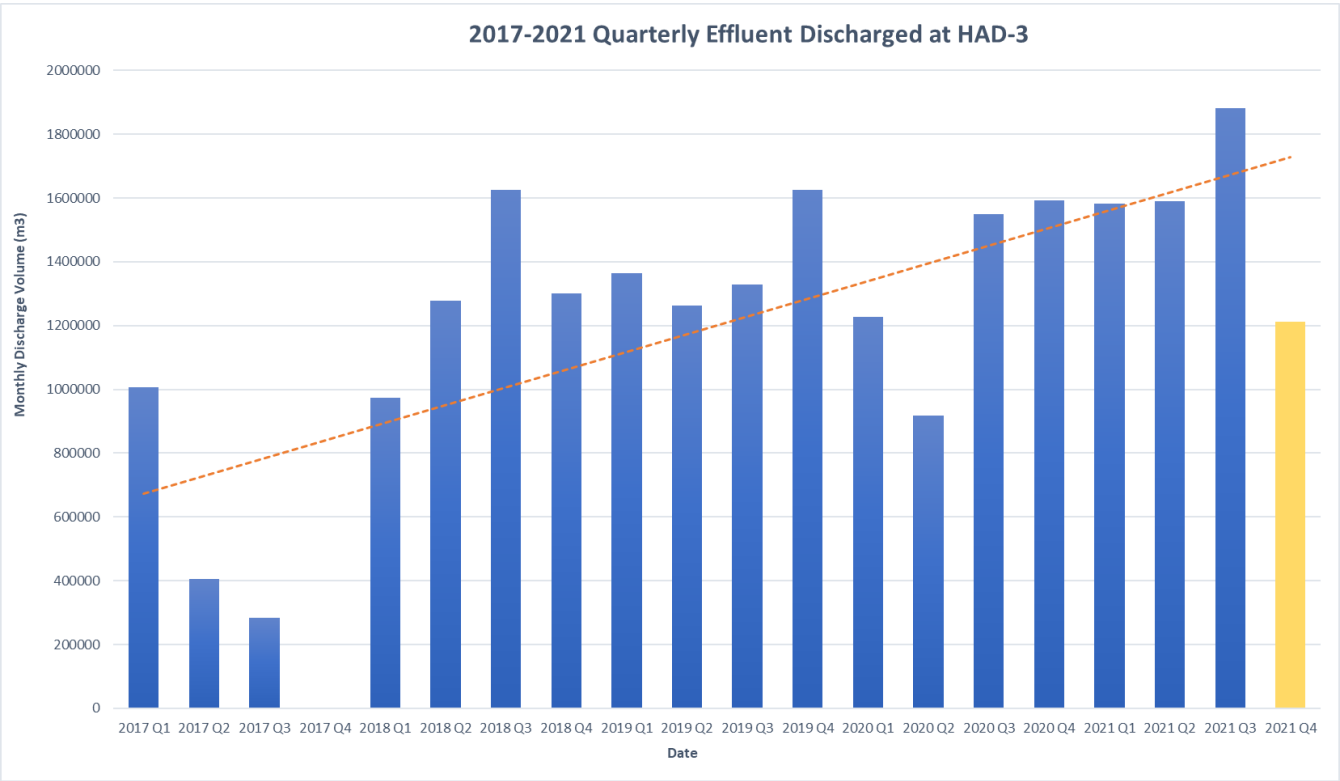


Figure 6 Effluent discharge volumes in cubic meters per quarter from the Actiflo® water treatment plant

HAZELTINE AND EDNEY CREEK REMEDIATION

During winter season conditions, small-scale remediation work was completed in Quarter 4 of 2021. Monitoring remains ongoing while planning is underway for 2022.

There is remaining terrestrial remediation work to be done. Planting will resume in the spring to address the disturbances created by the 2021/22 construction. Some 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 – *below are before and after photos that demonstrate the positive transformation of the remediation around the Hazeltine Creek and the Quesnel Lake shoreline.*



Downstream of Ditch Road bridge - before



Downstream of Ditch Road bridge - after

RESTART UPDATE

Mount Polley is targeting a workforce of approximately 355 employees at full scale operations. Currently, an average of 100 personnel per day are reporting to work at the mine. This includes on-site staff and contractors. Work is currently being undertaken across the site to prepare for full operations. Present activities are focused on electrical maintenance and upgrades, mobile equipment servicing and upgrades and mill assessment, maintenance and refurbishing amongst other things. Pit operations are underway with the mined material being stockpiled for future processing or stored in the rock disposal sites.

The grinding mills have been disassembled and inspected. Repair work will be completed in preparation for the mine restart in the second quarter of 2022.



Figure 7 Staff assessing mill gear teeth

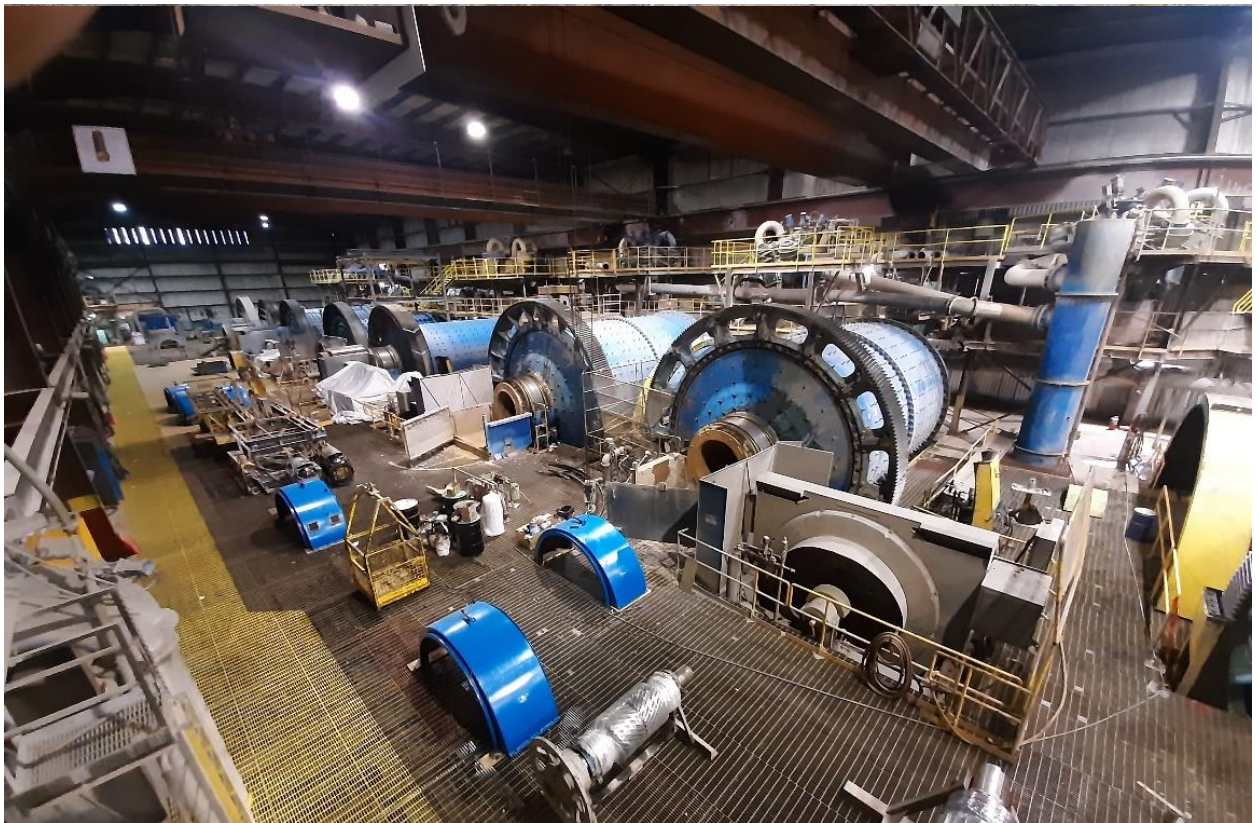


Figure 8 Disassembled grinding mills

MPMC EVENTS

Quarter 1, 2022

January 19, 2022

Xat'sūll Community Engagement Meeting

January 27, 2022

Public Liaison Committee (PLC) Meeting via conference call

March 28, 2022

Likely Community Engagement Meeting

Quarter 2, 2022

April 7, 2022

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>

Interested applicants may send their resume and cover letter to: hr@mountpolley.com

Any questions regarding the Community Update, please email Gabriel Holmes at gabriel.holmes@mountpolley.com