



MP00204

**MOUNT POLLEY MINING
CORPORATION**
A DIVISION OF IMPERIAL METALS CORPORATION

July 18, 2014

Heather Narynski, P.Eng
Sr. Geotechnical Inspector
Ministry of Energy and Mines
1810 Blanshard St.
Victoria, B.C
V8W 9N3

Dear Ms. Narynski:

RE: Advice of Geotechnical Incident Form Follow-up (Design Plan) – Water Management Plan

As outlined in an e-mail dated July 4th, 2014 entitled *Re: Advice of Geotechnical Incident Form Follow-up (Design Plan) – Update #3 (sic #4)* provided by Luke Moger to yourself (copies to Stephen Rothman, Dale Reimer, Art Frye, Dmitri Ostrichenko, Michael Cullen, Diane Howe, George Warnock and Jack Green), please find herein a freeboard management plan jointly proposed by MPMC and AMEC.

As you aware, Mount Polley mine re-established Normal Operating Level freeboard (1.3m) at the TSF on July 4th, 2014, with notice provided to yourself on July 10th, 2014. Since that time, MPMC has continued to operate under this condition, while continuing with construction activities to further raise freeboard.

At this time, the current water elevation at the TSF is 966.6m, having remained at this elevation since June 27th, 2014. This elevation provides the following freeboard, summarized by Embankment:

Embankment	Existing Freeboard (m)	Elevation (m)	Length (m)	Chainage Start	Chainage End
Perimeter	2.5m	969.1	700	40+00	47+00
	1.9m	968.5	200	47+00	49+00
	1.3m	967.9	1,225	27+75	40+00
Main	1.3m	967.9	1,225	15+50	27+75
South	1.9m	968.5	1,050	05+00	15+50

As can be seen from the above table, the Normal Operating Level freeboard (1.3m) is being met for 2,450m of the TSF, and exceeded (by minimum of 0.6m) for the remaining 1,950m of the TSF. Construction is currently ongoing along the Perimeter Embankment (Chainage 27+75 to Chainage 40+00) to establish increased freeboard (0.3m lift), to be followed by the Main Embankment (Chainage 15+50 to Chainage 27+75) similarly. It is projected that this work will be completed by July 28th.

During this time, it is anticipated that the freeboard (in advance of construction areas) may drop below the Normal Operating Level of 1.3m with projected water accumulation rates. Upon completion of the placement of this material along the Perimeter Embankment and Main Embankment, a minimum freeboard of 1.5m (allowing for 0.1m projected storage increase) will be realized for the entire TSF. The next focus for construction will be the TSF abutments, at 'Corner 4' (South Embankment - Chainage 04+00) and 'Corner 5' (Perimeter Embankment - Chainage 50+00) to maintain this freeboard as the TSF footprint expands with the elevation increase of the 972.5m anticipated 2014 construction season - this work is planned for early August, 2014.



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In discussion with the Design Engineer (AMEC), this construction plan has been approved in principle, and, given the timing of this work (summer construction season), a temporary Normal Operating Level freeboard of 1.1m has been agreed upon as an acceptable working condition given the limited exposure window (projected to be less than two weeks). Although it is not anticipated that freeboard will reach this level, it has been identified as a safe level for operation.

This target has been set as a mid-point between Normal Operating Level (1.3m) and the Maximum Operating Level (0.9m). Upon completion of this work, and realization of the standard operating freeboard of 1.3m, this temporary allowance will be revoked by AMEC.

During this temporary reduction in the Normal Operating Level to 1.1m, TSF pond elevations will continue to be monitored daily by MPMC, and 'Effective Core Elevation' will be added to daily construction reports completed by MPMC and submitted to AMEC for review. If at any point there is concern on the part of AMEC that the 1.1m temporary Normal Operating Level allowance will be realized, then revision of the Water Management Plan will be instigated. If, at any point, the 1.1m temporary Normal Operating Level is passed, notification will be supplied to MEM, along with a remediation plan jointly endorsed by the Design Engineer and MPMC.

MEM will be informed when the temporary Normal Operating level of 1.1m has been revoked by AMEC (i.e. upon completion of the work as outlined above).

Should you have any questions, concerns, or if the plan is not acceptable, please do not hesitate to contact me at (250) 790-2215 ext. 2113.

Sincerely,

Luke Moger, Project Engineer
Mount Polley Mining Corporation
lmoger@mountpolley.com

Reviewed and Endorsed:

Dmitri Ostritchenko, Project Manager
AMEC
Dmitri.Ostritchenko@amec.com

Cc. George Warnock, Stephen Rothman, Michael Cullen, Dale Reimer, Art Frye, Dmitri Ostritchenko