

GLENCORE

December 1, 2014

Ministry of Energy and Mines
Health, Safety, and Permitting Branch
PO Box 9320, Stn. Prov. Gov't
Victoria, BC V8W 9N3

Attention: **Al Hoffman,**
Chief Inspector of Mines

Re: Boss Mountain Mine
2014 Dam Safety Inspection Report

Under cover of this letter, please find the 2014 Dam Safety Inspection (DSI) report for the Brenda Mine and the results of the third-party review. The Brenda Mine Site has seven dams on the site. The Boss Mountain Mine site has three dams, one of which is classified as significant and two as low. Mining operations ceased at the Boss Mountain Mine in 1983 and closure measures were completed in 1999.

The DSI report was prepared by Andy Small, P.Eng. and the DSI was subsequently reviewed by a third-party, Dr. Maciej Szymanski, P.Eng. Both individuals are experienced dam safety specialists. Dr. Szymanski is the Engineer of Record for the dams.

As outlined in the DSI and confirmed by the third-party engineer review, no immediate safety or stability concerns were noted for the dams at the Boss Mountain Mine and monitoring and surveillance practices meet industry standards. The independent review has also confirmed the current assigned Consequence Classifications for all dams.

The attached table lists the recommendations and action plan. The recommendations are non-urgent pertaining to maintenance and ongoing stewardship of the dams.

Even though the dams are classified as significant and low, Glencore has prepared an emergency preparedness and response plan (EPRP) the sites. The EPRP was tested and, as a result of the EPRP testing, modifications were made to the EPRP and the EPRP is consistent with current standards of engineering practice.

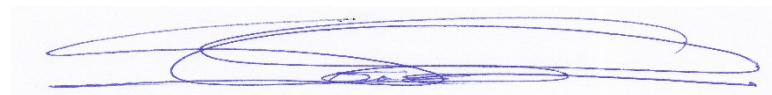
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Glencore is focused on meeting the standards of safety for our tailings facilities. Annual inspection reports are one component of the system in place for the safe operation and monitoring of our tailing facilities. These systems follow industry practices, including the applicable guidance provided by the Canadian Dam Association and the Mining Association of Canada.

Please do not hesitate to contact me if you have any further questions regarding the operation, maintenance and monitoring of our tailings facilities.

Sincerely,



Sean O'Connell, P.Eng
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**Recommendations and Planned Action Items from the 2014 DSI
 (Priority rating scheme at bottom of the table)**

No.	2014 DSI Recommendations	Priority	Planned Action	Timeline
General				
1	Continue regular inspections for the dams.	4	Twice per year	Resuming in 2015
2	Continue to conduct annual inspections by external consultant.	4	Conduct DSI	2015
Main Dam				
3	Conduct close inspection of the upstream slope to determine changes associated with the slope.	3	Conduct inspection	During regular inspections and DSI
4	Periodic cutting of trees and bushes, including trees growing close to dam toes.	4	Remove vegetation	2015
Clarification Pond Dam				
5	Periodic cutting of trees and brushes, including trees growing close to dam toes.	4	Remove vegetation	2015

Priority Rating Scheme as Outlined from the BC Chief Inspector:

- 1 A high probability or actual dam safety issue considered immediately dangerous to life, health or the environment, or a significant regulatory concern.
- 2 If not corrected, could likely result in dam safety issues leading to injury, environmental impact or significant regulatory action; or, a repetitive deficiency that demonstrates a systematic breakdown of procedures.
- 3 Single occurrences of deficiencies or non-conformances that alone would not be expected to result in dam safety issues.
- 4 Best Management Practice as a suggestion for continuous improvement towards industry best practices that could further reduce potential risks.