



Date: January 27, 2015

To: Ernie Hatzl, Mine Manager
Cassiar Jade Contracting Inc.
[Sent by Email: ehatzl@hotmail.com]

Cc: Diane Howe, Deputy Chief Inspector, Reclamation and Permitting, MEM
George Warnock, Manager, Geotechnical Engineering, MEM
Heather Narynski, Sr. Geotechnical Inspector, MEM

Re: **Chief Inspector's Orders Issued on August 18, 2014**

The Ministry of Energy and Mines has not received a submission from Cassiar-McDame in response to the Chief Inspector's Orders issued on August 18, 2014. However, from subsequent correspondence, it is understood that the tailings storage facility (TSF) at the Cassiar-McDame mine consists of a waste pile of fines and does not contain a "dam". It is therefore not subject to the Chief Inspector's Orders.

Notwithstanding the above, MEM does require a qualified professional engineer (registered in BC) to carry out a slope stability assessment of the facility including an evaluation of erosion potential and long term closure planning. This facility is considered a "major dump" as defined on page 10-2 of the Health, Safety and Reclamation Code for Mines in BC (Code). It is understood that the volume of this dump exceeds 1Mm³ and has existing slopes at angle of repose. MEM has yet to receive a response to our email dated December 12, 2014 requesting a letter from Cassiar-McDame's outlining your commitment to the following in the spring of 2015:

- Provide details of the dump characteristics including height, slope angles, volume, material type, foundation conditions etc.
- Carry out a geotechnical stability assessment of the waste dump
- Carry out an erosion and drainage assessment of the waste dump
- Provide recommendations to meet long-term closure objectives (such as re-contouring of the dump slopes, drainage works, vegetation, monitoring etc.)

A letter with commitments to satisfy the required work shall be submitted no later than March 15, 2015. In addition to the requirements listed above, any recommendations made by your consultants within the stability assessment report shall be addressed in the timeframe specified. MEM will be following-up in the fall of 2015 to obtain a status update with respect to all recommendations and commitments.

I remind you of your responsibility to ensure full compliance with orders, permit conditions and the requirements of the *Mines Act* and Health, Safety and Reclamation Code at all times. It is my expectation that the requested commitment letter will be submitted in the timeframe provided. The stability

assessment is required no later than June 30, 2015 and any recommended remedial works shall be completed no later than August 31, 2015.

I look forward to your diligent and timely attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Al Hoffman". The signature is written in a cursive style with a large initial "A" and "H".

*Al Hoffman, P. Eng.
Chief Inspector of Mines
Ministry of Energy and Mines*