



Date: September 30, 2015

To: Kent Christensen, General Manager
Huckleberry Mines Limited

Cc: Diane Howe, Deputy Chief Inspector, Reclamation and Permitting, MEM
Heather Narynski, A/ Manager, Geotechnical Engineering MEM

Re: **Review of Letter of Assurance Submission from June 30, 2015**

The Ministry of Energy and Mines (MEM) has engaged a consulting firm to evaluate the consistency and compliance of your letter of assurance in response to the Chief Inspector's orders issued on February 3, 2015. This review has determined that your submission satisfies the requirements of the order.

Below is a summary of the assessment made by your Qualified Professional Engineer (QPE) with associated plans/schedule to address the gaps identified:

Status of Foundation Condition

"The previous Site Investigation (SI) work did not encounter glaciolacustrine soils within any of the dam foundations and as such, their designs did not require consideration of these materials."

The QPE however has stated that:

- *"Following from the findings of the Expert Panel Review, BGC is undertaking additional detailed review of site ground conditions, including published geological literature and available SI data, regarding the regional and local Quaternary geological conditions with the objective of identifying any targets for further investigation for the three TMF's. Targets identified will be added to the currently planned 2015 SI program noted previously for later this summer. Drilling for the 2015 SI program is scheduled to commence in mid-July. Should glaciolacustrine soils be encountered, samples will be collected for testing to characterize the material; additional drilling may be performed to constrain their extent if any are found. A different drill rig may be used to obtain 'undisturbed' samples for testing, if required. The geological review, SI results (logs and laboratory testing) and piezometer installation records will be compiled into a summary report to be submitted to HML once the program is complete."*

Status of Water Balance Adequacy

"BGC has been engaged by Huckleberry Mine Limited (HML) to prepare an updated site wide water balance, including the contributions from all three TMF's."

The QPE has stated that:

- *"BGC will be submitting an updated site wide water balance in August/September 2015 and the associated conclusions and recommendations will be provided for consideration by HML. The recommendations provided therein will inform strategies on water handling in conditions ranging from dry to wet years."*

Status of Filter Adequacy

"The filters for the TMF-2, Orica Saddle Dam, EPPD, and TMF-3 dams were designed by qualified professional engineers according to internationally accepted standards. The TMF-2 dam, EPPD dam, Orica Saddle dam, and a portion of the TMF-3 dam were constructed prior to BGC assuming the role of EOR in 2013. The construction monitoring of these facilities was carried out under the supervision of the EOR at the time; a qualified professional engineer registered within the province, who noted that the filters were constructed in accordance with the design to his satisfaction. BGC has reviewed some of the reports (those available to BGC) documenting the construction and sees no reason to disagree with the approval by the previous EOR."

MEM supports the proposed plan of action. Please ensure that all work as outlined above is completed within the specified timeframe. MEM will be following-up by January 15, 2016 to obtain a status update with respect to the work completed and commitments made.

The orders issued on February 3, 2015 have been requested to provide assurance the conditions at the Mount Polley dam do not exist in other facilities. Please ensure that you are meeting your other ongoing requirements to ensure Tailings Storage Facility safety with respect to the following:

- Satisfying any outstanding orders from previous Ministry inspection reports.
- Satisfying any outstanding recommendations from previous Dam Safety Inspections (DSI) or Dam Safety Reviews (DSR).

It is expected that you will ensure dam safety management is continuously reviewed, improved and refined throughout the life of mine.

Thank you for your submission to the orders of February 3, 2015.

Sincerely,

A handwritten signature in black ink, appearing to read 'Al Hoffman', written over a horizontal line.

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