



Date: September 30, 2015

To: Peter MacPhail, Chief Operating Officer
AuRico Gold Inc., Kemess South Mine

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), it is understood that no immediate gaps have been identified:

Status of Foundation Condition

"The Kemess South tailings dam is largely founded on a layer of over-consolidated glaciolacustrine clay termed the glaciolacustrine unit or GLU. The current design configuration (completed in 2010) of the TSF was developed in direct consultation with an independent geotechnical review panel (GRP) who provided third party oversight and technical guidance regarding the treatment of the GLU soils on an annual basis throughout the entire design and construction of the TSF."

Status of Water Balance Adequacy

"With completion of the closure spillway in 2012 the performance of the TSF under Inflow Design Flood (IDF) conditions is now governed by the characteristics of the closure spillway and final dam crest configuration. The reservoir has been allowed to recharge naturally following decommissioning of the reclaim system in 2011. AuRico has indicated that water quality within the impoundment is acceptable for discharge to South Kemess Creek and that a discharge permit has been obtained for the closure spillway."

Status of Filter Adequacy

"As outlined in the Mine Reclamation and Closure Plan (AMEC, 2010), rigorous quality control testing was performed on the core and filter zones throughout the construction of the TSF."

Plots summarizing the gradation testing data for each stage of construction are included in that report which indicates that construction of the dam satisfied the intent of the design specifications.”

Please ensure that any recommendations made by your Qualified Professional Engineer have been addressed.

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', is written over a horizontal line.

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