



Date: September 30, 2015

To: Jorge Freitas, Mine Manager
Quinsam Coal Corporation

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

"Glacio-lacustrine deposits of silt and clay are not present beneath the South Dam, North Embankment, East Embankment, or South Embankment. Glacial deposits of till with discontinuous lenses of silt and clay may exist below the West Embankment. The design is considered to account for the foundation conditions."

Status of Water Balance Adequacy

"Surplus mine water is not stored in either of the tailings facilities, There is an emergency response plan for high water levels for the North Pit Tailings Disposal Facility, but not for the Old Tailings Area – South Dam."

The QPE has stated that:

- *"No Emergency Response Plan is available for high water levels against the Old Tailings Area – South Dam. The appropriate actions levels and responses will be added to the Operations, Maintenance, and Surveillance manual by October 2015."*

Status of Filter Adequacy

"All filter compatibility checks indicated that filter compatibility exists between the placed materials."

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).

The 2014 Dam Safety Inspection (Golder, October 29, 2014) highlighted the following conclusions/recommendation with respect to pond capacity:

"Check flood storage capacity against updated design flood event", to be carried out in 2015.

- Please provide an update on the status of the above 2014 DSI recommendations which were planned to be carried out in 2015.

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*