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January 15, 2015

Al Hoffman, P.Eng
Chief Inspector of Mines
Ministry of Energy and Mines
PO Box 9320 Stn Prov Got
Victoria, BC, V8W 9N3
Via Email

Dear Mr. Hoffman:

Re: Schedule for completing outstanding inspection orders (2012-present)

This letter is intended to satisfy order #4 (provide a schedule for satisfying outstanding inspection orders levied at the Shasta/Baker site since 2012) contained within your letter to Sable Resources Ltd ("Sable" "SRL" the "Company") dated December 17th, 2014. It is SRL's intent to comply with all orders; however, it must be noted that the Company currently does not have the required funds to complete all outstanding orders. The ability to complete the orders will require financing, which introduces an uncertainty to the timeline provided herein. Efforts are ongoing to raise sufficient capital and add management for the timely completion of outstanding required works and future participation in the British Columbia mining sector.

Of the outstanding orders, SRL views the items contained in George Warnock's June 2013 report marked as 'Short Term - requiring immediate attention' as the most urgent and will make every effort to ensure that they are completed this Summer, as continued non-compliance of these pose a threat to the receiving environment during care-and-maintenance. The tables below summarize the work SRL will carry out and provide schedules where possible:

Rolly Thorpe - Letter dated April 24, 2013	
Order and Response	Schedule for Completion
4.7.1; 4.9.12: All mobile equipment will comply with these sections and be equipped with proper approved seatbelts and be mechanically sound before the equipment is returned to operation.	Before operation
4.7.1: Underground mobile equipment will undergo and pass emission testing with the results recorded prior to underground operation	Before operation
4.12.11: All cranes and lifting devices shall have non-destructive testing performed with results recorded prior to their next use, and then annually thereafter. Devices shall be tagged out until such time	Before operation

3.7.1 A revised ERP shall be developed and submitted prior to site occupancy in 2015. All site workers shall be trained in the revised ERP with training recorded.	Before site occupancy in 2015
Dam Safety Review (DSR) Item #1: Upgrades to the emergency spillway and diversion ditches consistent with engineer's and inspector's recommendations shall be completed this Summer.	August 2015
DSR Items 2 & 3: A draft operations, surveillance and maintenance manual for the TSF shall be completed this Fall after completion of the annual inspection. The manual will include emergency preparedness. A first update shall be submitted upon completion of the geotechnical investigations, completion of the outstanding DSR items, and retention of an Engineer of Record.	Fall 2015; updated following DSR completion & EoR retention
DSR Items 4-9: The geotechnical investigation, survey, installation of piezometers, etc. and completion of the DSR report are integral to the future operation or closure of the TSF facility. It is SRL's priority to complete these items along with the more immediate upgrades to diversion and spillway channels. These items will be completed as financing is available; ideally this Summer, if not, the Summer of 2016.	Summer 2015, or 2016 - financing dependent

George Warnock - Letter dated Mar 1, 2013 & inspection report dated Jun 26, 2014	
Order and Response	Schedule for Completion
Dam Safety Review (DSR) Item #1: Upgrades to the emergency spillway and diversion ditches consistent with engineer's and inspector's recommendations shall be completed this Summer.	August 2015
DSR Items 2 & 3: A draft operations, surveillance and maintenance manual for the TSF shall be completed this Fall after completion of the annual inspection. The manual will include emergency preparedness. A first update shall be submitted upon completion of the geotechnical investigations, completion of the outstanding DSR items, and retention of an Engineer of Record.	Fall 2015; updated following DSR completion & EoR retention
DSR Items 4-9: The geotechnical investigation, survey, installation of piezometers, etc. and completion of the DSR report are integral to the future operation or closure of the TSF facility. It is SRL's priority to complete these items along with the more immediate upgrades to diversion and spillway channels. These items will be completed as financing is available; ideally this Summer, if not, the Summer of 2016.	Summer 2015, or 2016 - financing dependent
2014 TSF1 short term item i: Sable shall have an engineer conduct an annual dam inspection in 2015 concurrent with the completion of works to the drainage ditch/ emergency swale	August 2015
2014 TSF1 short term item ii: Upgrades to the diversion ditches as prescribed in various reports shall be completed in the Summer of 2015	August 2015

2014 TSF1 short term item iii: Upgrades to the swale/spillway as prescribed in various reports shall be completed in the Summer of 2015	August 2015
2014 TSF1 short term item iv: A draft operations, surveillance and maintenance manual for the TSF shall be completed this Fall after completion of the annual inspection. The manual will again be updated upon completion of the geotechnical investigations, completion of the outstanding DSR items, and retention of an Engineer of Record.	Fall 2015; updated following DSR completion & EoR retention
2014 TSF1 medium term item i: The completed final sealed DSR will be submitted following completion of the 9 deficiencies outlined in the draft report.	Summer 2015, or 2016 - financing dependent
2014 TSF1 medium term item ii: Completion of the nine deficiencies listed in the 2012 McElhanney draft DSR are listed above.	As above
2014 TSF1 medium term item iii: An Engineer of Record for the TSF will be retained concurrently with completion of the deficiencies noted in the draft DSR and the geotechnical investigation required for the stability analysis.	Upon completion of draft DSR deficiencies
2014 TSF2 short term item i: TSF#2 will be included in the 2015 annual dam inspection report.	August 2015
2014 TSF2 short term item ii: Upgrades as prescribed will be completed concurrently with work performed on TSF 1 in Summer 2015	August 2015
2014 TSF2 short term item iii: An emergency spillway consistent with an engineer's recommendation will be constructed concurrently with upgrades to the diversion ditches.	August 2015
2014 TSF2 short term item iv: The osm manual for the TSF will include TSF2.	Fall 2015

Jennifer McConnachie - Inspection report dated June 26, 2014	
Order and Response	Schedule for Completion
Order #2: A geotechnical assessment of the stability of the Shasta waste rock pile adjacent to Jock creek shall be conducted during the site visit for the Annual Dam Safety Inspection in Summer 2015	August 2015
Order #3: A comprehensive ML/ARD characterization and monitoring plan will be developed for the Fall of 2015 for implementation in 2016. Samples will be collected in 2015 for additional characterization of fine and coarse tails, and waste rock.	Fall 2015; implementation 2016
Order #6: Site investigations for an erosion and sediment control plan will begin in Summer 2015 coinciding with an engineer's site visit. The comprehensive plan will be developed over the Fall and Winter for implementation in 2016.	Investigation 2015, implementation 2016



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Order #7: An inspection of the sedimentation pond at the Shasta mine site will be conducted concurrently with the site visit for 2015 annual dam safety inspection during the Summer.	August 2015
Order #8: Upgrades/reconstruction of the Shasta sedimentation pond will be done consistent with an engineered plan and prior to active discharge to the pond.	Prior to active discharge
Order #9: An updated Hydrocarbon Contamination plan will be developed over the Summer and Fall. Full implementation of the plan would occur in the Summer of 2016.	Plan Fall 2015; implementation Summer 2016
Order #10: An updated Reclamation and Closure plan will be developed over the Summer and Fall.	Sep 31, 2015

It is SRL's intent that the above schedules for completion of outstanding orders will be met by, or completed ahead of schedule. The continued cooperation by the Ministry and willingness to work together through this difficult period is appreciated by the Company.

Sincerely,

Mel Rahal
President, CEO
Sable Resources Ltd