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Ministry of Environment
Mining Operations Environmental Protection
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WEEKLY POST-TSF BREACH REPORT – WEEK OF JANUARY 7 – 13, 2015

Water Management and TSF Works

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| Polley Lake Dewatering | Polley Lake ice elevation = 921.82 m (January 15 th) Water levels are currently within the typical range. Polley Lake is frozen and all pumping infrastructure was removed in late November. Ice elevation surveys are being taken weekly. |
| Breaches | No breaches of the water management system containing water flow from the Tailings Storage Facility (TSF) occurred this week. |
| TSF and Water Management Structures | <p>The amendment to permit M-200 approving repair of the TSF breach to manage 2015 freshet was received from the Ministry of Mines on December 17th. An update on work being completed under this approval is as follows:</p> <ul style="list-style-type: none">• Foundation preparation for Perimeter Embankment buttressing is progressing.• Foundation preparation for the cut-off wall is ongoing and the first priority until completion.• Foundation blanket material placement has commenced.• Construction of seepage collection drains in the cut-off wall foundation footprint has been completed.• Foundation preparation and material placement immediately downstream of the cut-off wall has commenced. <p>Refer to Figure 1 for a map of the TSF area and associated works.</p> <p>All water from TSF water collection systems is currently transferred to the Springer Pit via the Central Collection Sump. Water flow from the breach location is currently being pumped to the Upstream 1 sump, and then to the Central Collection Sump via the TSF Settling Pond.</p> |

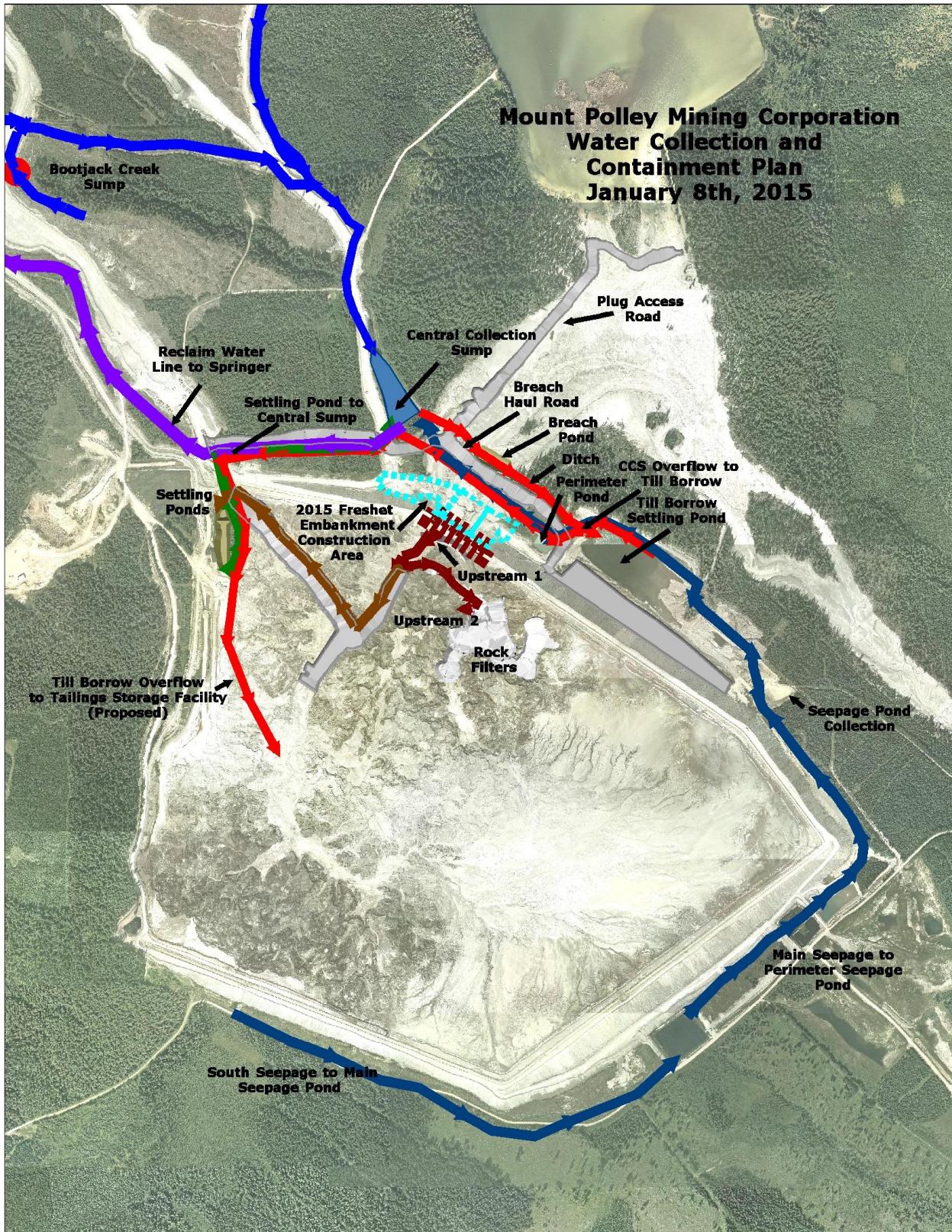


Figure 1. Tailings Storage Facility construction works and water management

Sediment and Erosion Control Measures

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|---|---|
| Silt Curtain | The new Hazeltine Creek outflow channel from the sedimentation ponds into Quesnel Lake bypasses the silt curtain which is attached to the log boom at the mouth of Hazeltine Creek. It is anticipated that the sedimentation ponds will now carry out the role of removing suspended solids from the water column. The curtain is in good condition and will remain in place for the time being. |
| Sediment Control Works (Lower Hazeltine) | Construction work has recommenced, with clearing of an access for a crossing at lower Edney Creek (to carry out restoration work on the other side of the creek) and sorting of coarse woody debris. The Edney Creek fish barrier is in place and continues to function. Edney Creek is flowing into the sedimentation ponds. Figure 2 shows a turbidity time series graph comparing the turbidity in Hazeltine Creek at the Ditch Road bridge and at the outflow of the lower Hazeltine Creek sedimentation ponds. |
| Sediment Control Works (Upper Hazeltine) | Designs for the Polley Lake outlet structure are close to completion and it is anticipated that they will be submitted to the Ministry of Forests, Lands and Natural Resource Operations this week. The proposed Polley Lake outflow channel continues to be excavated along the south end of the Plug Access Road. This week 18, 659 tonnes of tailings were excavated and returned to the TSF and 1, 369 tonnes of till was stockpiled for reclamation purposes. Designs for upper Hazeltine Creek erosion control and restoration works are in the final stages. Two construction crews will be deployed when approval to carry out this work. Collection of live willow stakes and wattles on site commenced on January 12 th . These willows will be planted in the spring for erosion control and restoration purposes. Trained environmental monitors are supervising all creek restoration work. |

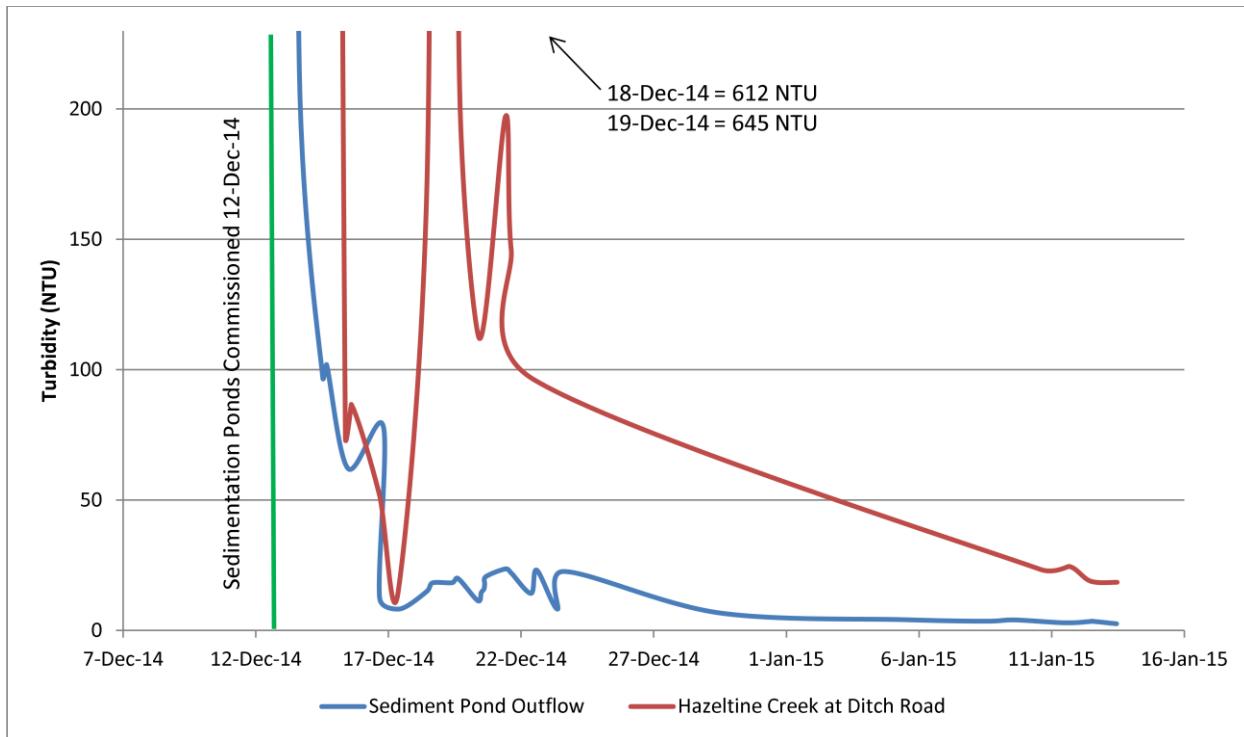


Figure 2. Turbidity time series graph for Hazeltine Creek at the Ditch Road and at the outflow of the lower Hazeltine Creek sedimentation ponds (December 12th – January 13th)

Water Quality Monitoring Program

The water quality monitoring program currently consists of weekly samples at:

- QUR-1 (Quesnel River at the Quesnel River Research Centre).
- HAC- 05 (Hazeltine Creek at the Gavin Lake Road).
- HAC-08 (Hazeltine Creek upstream of the sedimentation ponds, at the confluence with Edney Creek)
- HAC-01b (Hazeltine Creek at the outlet of the sedimentation ponds, just upstream of Quesnel Lake).

Sampling on Quesnel Lake has been suspended due to winter conditions since December 18th. This is consistent with previous plans communicated to the MOE. All scheduled sampling was completed this week.

The monitoring program also includes a sonde (datalogger) that is deployed in the Quesnel River at monitoring site QUR-1. The sonde measures field parameters (turbidity, pH, specific conductance, dissolved oxygen, and temperature) every 15 minutes.

Figure 3 shows a time series graph of turbidity at site QUR-1. Turbidity data up to December 23rd are from laboratory analysis completed by ALS Environmental. The remaining data are from field measurements.

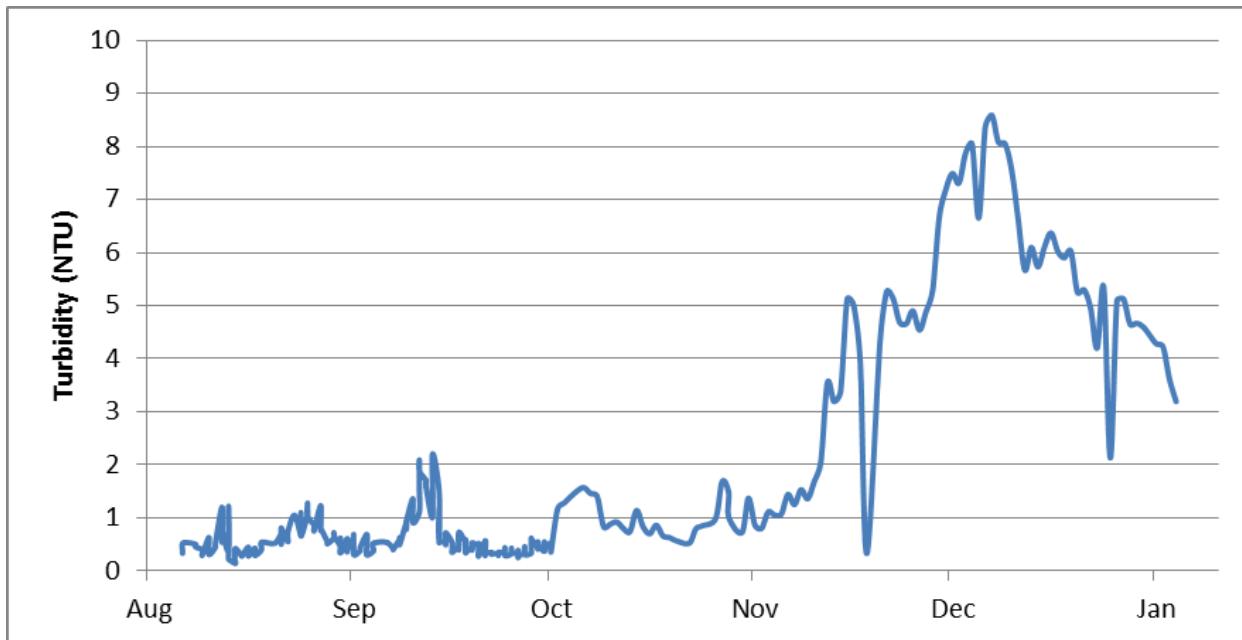


Figure 3. Turbidity time series at sample location QUR-1 (August 6th – January 12th)

Publication of Environmental Monitoring Results & Remediation Updates

Mount Polley will continue to present interpreted environmental monitoring results and updates on remediation work on the [Mount Polley Updates](#) page of the Imperial Metals website (www.imperialmetals.com). A [Community Update Bulletin](#) was posted on January 13th and a [Summary of the Mount Polley Toxicity Testing Program](#) to date was published on January 15th.