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Mt Polley

MINE DEVELOPMENT CERTIFICATE

*IN THE MATTER OF
THE MINE DEVELOPMENT ASSESSMENT ACT ("the Act")
R.S.B.C. 1979, c. 258.5,*

AND

*IN THE MATTER OF AN APPLICATION BY
IMPERIAL METALS CORPORATION
FOR A MINE DEVELOPMENT CERTIFICATE
TO DEVELOP THE MOUNT POLLEY COPPER/GOLD PROJECT
IN THE CENTRAL REGION OF BRITISH COLUMBIA (the Development)*

MINE DEVELOPMENT CERTIFICATE 92-13

WHEREAS, on July 31, 1990, Imperial Metals Corporation (hereinafter Imperial Metals) applied for an Approval-in-Principle in accordance with the procedure generally known as the Mine Development Review Process, by way of a Stage I Report (the Report) to develop an open pit copper/gold mine, located near Williams Lake, in Central British Columbia;

and

WHEREAS, the Minister of Energy, Mines and Petroleum Resources (the Minister), with the concurrence of the Minister of Environment, Lands and Parks, specify that previous submissions, including the Report, filed under the Mine Development Review Process, are acceptable as the Application, which is a reviewable mine development as defined in section 1 of the Act;

and

WHEREAS, the Development, inter alia, will consist of an open pit copper/gold mine, waste dumps, tailings storage, milling site, transmission line, water collection structures and access roads, and will exclude any other off-site infrastructure;

and

WHEREAS, the Minister with the concurrence of the Minister of Environment, Lands and Parks, has determined, based on a full technical review that the potential adverse environmental impacts that may be caused by the Development can be managed through existing legislation and programs;

and

WHEREAS, Imperial Metals has agreed with the substance of a report, conveyed by letter (1992-10-06) from N. Ringstad, Manager, Mine Development Assessment Process, outlining the reasons for the decisions relating to the issuance of a Mine Development Certificate, commitments, and permit, licence and approval information requirements;

and

WHEREAS, in the event of an extreme drought, or a water shortage during reservoir filling with respect to meeting downstream fish flow requirements, Imperial Metals has committed to either find an alternative source of water acceptable to the Province, or suspend or reduce production at the mine to maintain fish flows in Hazeltine Creek;

and

WHEREAS, Imperial Metals acknowledges that the Ministry of Environment, Lands and Parks will be proceeding with an application to Cabinet to have a water reserve under Section 44 of the *Water Act* placed on all unrecorded water in the Hazeltine Creek watershed, including Polley Lake and Bootjack Creek watersheds

NOW THEREFORE, the Minister, with the concurrence of the Minister of Environment, Lands and Parks, pursuant to section 3(1)(b) of the Act, hereby issues this Mine Development Certificate, subject to the following conditions:

A. CONDITIONS

1. Imperial Metals shall cause the Development to be designed, located, constructed and operated in accordance with the Application, (the Application is comprised of the contents of the 13 documents listed below), subject to:
 - a) this Mine Development Certificate; and
 - b) the proviso that the contents of later documents supersede the contents of earlier documents where, in the reasonable opinion of the Minister, there is a conflict between any two documents.
- 1.1 Letter from R. Pesalj (Project Manager) to N. Ringstad (Chair, Mine Development Steering Committee), 1990-01-05, outlining a strategy for the impoundment of Bootjack Lake, including preliminary downstream water and fisheries impact management proposals;
- 1.2 Letter from R. Pesalj to N. Ringstad, 1990-01-25, outlining a strategy for Polley Lake as a water supply alternative to Bootjack Lake;

- 1.3 Stage I Environmental and Socio-economic Impact Assessment Report, Volumes I and II (July 1990), Imperial Metals Corporation;
- 1.4 Stage I Environmental and Socio-economic Impact Assessment Report, Supplementary Submission (October 1990), Imperial Metals Corporation;
- 1.5 Stage I Environmental and Socio-economic Impact Assessment Report, Responses to Comments by Agencies (January 1991), Imperial Metals Corporation;
- 1.6 Letter and attachment from R. Pesalj to D.B. Letvak (Water Management Branch, Ministry of Environment), 1991-01-10, outlining the hydrological report from PWS Engineering;
- 1.7 Letter from R. Pesalj to N. Ringstad, 1991-02-19, outlining the cost comparison between Polley Lake and Quesnel Lake water supply alternatives;
- 1.8 Letter from R. Pesalj to D.B. Letvak, 1991-03-04, outlining Imperial Metals position on the average annual lake flow rates provided by PWS Engineering;
- 1.9 Letter from R. Pesalj to D.B. Letvak, 1991-04-02, detailing Imperial Metals proposal to conduct further hydrological monitoring program;
- 1.10 Letter from R. Pesalj to N. Ringstad, 1991-04-08, responding to final issues raised at February 14 and March 26, 1991 meetings;
- 1.11 Letter and attachment from R. Pesalj to N. Ringstad, 1991-04-24, detailing the revised layout of the concentrate rail loading and storage facility and revised text of Section 8 in the Responses to Comments by the Agencies;
- 1.12 Mount Polley Project, An Evaluation of Runoff Estimates for the Mount Polley Project and Allocation of Fisheries and Mine Process Water Requirements (July 1991), Hallam Knight Piesold Ltd.;
- 1.13 Letter from Z. Nikic to N. Ringstad, 1992-04-16, outlining agreements reached at the April 10, 1992 meeting, in particular the company's commitment to an acceptable alternative source of water supply, or suspend production while the emergency lasts.

2. Imperial Metals shall, prior to any material alteration of the Development as described in the Application, obtain the written consent of the Minister and the Minister of Environment, Lands and Parks, and the Minister may determine what constitutes a material alteration.
3. The term of this Certificate, in accordance with the Application, shall be Fourteen (14) years from the commencement of mine production, and the rate of milling shall not substantially exceed 13 700 tonnes per day.
4. If Imperial Metals proposes to either lengthen the term of the Certificate or to increase the milling rate substantially above that specified in Section 3 above, Imperial Metals shall apply for an amendment to the Certificate pursuant to Section 2(1) of the *Mine Development Assessment Act*.
5. This Certificate is not a Waste Management Permit nor a Water License or Approval nor part thereof, nor does it limit the ability of the Director of Waste Management or the Regional Waste Manager, or the Comptroller of Water Rights or Regional Water Manager, Ministry of Environment, Lands and Parks to immediately enforce any requirements or exercise any discretion or authority under the *Waste Management Act* or *Water Act*, and Regulations, Permits, Approvals or Orders thereunder.
6. This Certificate is not a *Mines Act* Permit nor part thereof, nor does it limit the ability of the Chief Inspector, District Inspector, or an Inspector of the Ministry of Energy, Mines and Petroleum Resources to immediately enforce any requirements or exercise any discretion or authority under the *Mines Act*, its Code or Orders or Directions thereunder.
7. This Certificate is of no force and effect until the Common Seal of Imperial Metals is affixed hereto, and a copy of the same returned and signed by the Minister and the Minister of Environment, Lands and Parks.
8. Imperial Metals shall comply with all applicable orders, directions and conditions, and obtain and comply with all applicable tenures, licenses, regulations, approvals, standards and permits which may include or result from, but are not necessarily limited to, the following:
 - 8.1 Commercial Transport Act, R.S.B.C. 1979, c. 55, for licensing of commercial vehicles.
 - 8.2 Environment Management Act, R.S.B.C. 1979, c. 110.5, for an impact assessment and/or environmental protection order.

- 8.3 Fire Services Act, R.S.B.C. 1979, c. 133, for the storage, use and handling of flammable and combustible liquids.
- 8.4 Fisheries Act, R.S.B.C. 1979, c. 137, for a licence to collect fish samples.
- 8.5 Forest Act, R.S.B.C. 1979, c. 140, for a licence to cut and remove merchantable timber on Crown Land, and approval for access road development.
- 8.6 Gas Safety Act, R.S.B.C. 1979, c. 149, for installation or alteration of gas piping.
- 8.7 Health Act, R.S.B.C. 1979, c. 161, for sewage disposal permits, food premises permits and for the operation and abandonment of industrial camps.
- 8.8 Heritage Conservation Act, R.S.B.C. 1979, c. 165, to alter a provincial heritage or archaeological site.
- 8.9 Highway Act, R.S.B.C. 1979, c. 167, for joining industrial roads to public highways.
- 8.10 Land Act, R.S.B.C. 1979, c. 214, for disturbances or use of Crown land.
- 8.11 Mineral Tenure Act, R.S.B.C. 1979, c. 263.3, for the acquisition of claims and leases.
- 8.12 Mines Act, R.S.B.C. 1979, c. 263.6, and the Health, Safety and Reclamation Code for a program for the protection and reclamation of the land and watercourses affected by a mine as well as mine plans, worker safety and mechanical and/or electrical requirements.
- 8.13 Mining Right of Way Act, R.S.B.C. 1979, c. 266.1, for provisions of rights of way or the use of existing roads.
- 8.14 Municipal Act, R.S.B.C. 1979, c. 290, for conformity to municipal and regional by-laws.
- 8.15 Pesticide Control Act, R.S.B.C. 1979, c. 322, for a permit to use pesticides.
- 8.16 Pipeline Act, R.S.B.C. 1979, c. 328, for approval of high pressure pipelines.

- 8.17 Power Engineers & Boiler & Pressure Vessel Safety Act, R.S.B.C. 1979, c.332.5, for approval of boilers, pressure vessels and refrigeration plants.
- 8.18 Railway Act, R.S.B.C. 1979, c. 354, for approval to cross railway lines.
- 8.19 Transport of Dangerous Goods Act, R.S.B.C. 1979, c. 408.7, for permits to handle or transport dangerous goods.
- 8.20 Utilities Commission Act, R.S.B.C. 1979, c. 421.5, for the operation of regulated projects.
- 8.21 Waste Management Act, R.S.B.C. 1979, c. 428.5, for emissions to the air, discharge of effluent, storage and handling of industrial waste and refuse.
- 8.22 Water Act, R.S.B.C. 1979, c. 429, for changes to watercourses, minesite drainage, dam construction and water use.

B. SUSPENSION AND CANCELLATION OF CERTIFICATE

- 1. The Minister may by notice served on Imperial Metals suspend this Certificate for any period or cancel this Certificate where Imperial Metals, in the reasonable opinion of the Minister:
 - 1.1 Does not exercise any rights under this Certificate for a period of five years;
 - 1.2 Fails to pay money owing to the Crown under or in connection with the Act;
 - 1.3 Fails to comply with the Conditions in this Certificate;
 - 1.4 Fails to comply with an order issued under the Act; or
 - 1.5 Imperial Metals' agent made a material misstatement or misrepresentation in the Application or in the information, analyses or environmental protection plan required under the Act with respect to this Certificate.
- 2. Pursuant to the Act, where the Minister considers that the Development is not being constructed or operated in accordance with this Certificate, the Minister may order that construction and operation cease, until Imperial Metals complies with this Certificate.

3. Where Imperial Metals fails or refuses to comply with an order of the Minister, the Supreme Court of British Columbia may restrain Imperial Metals from disobeying the order.

Anne Edwards
Anne Edwards
Minister of Energy, Mines
and Petroleum Resources

John Cashore
John Cashore
Minister of Environment,
Lands and Parks

Dated this *6th* day of *October*, 1992.

The aforementioned Conditions are agreed to by Imperial Metals this *6th* day of *October*, 1992.

The Common Seal of Imperial Metals was hereunto affixed in the presence of:

Hugh Morris
Name of Imperial Metals Official
HUGH C. MORRIS
CHAIRMAN & CHIEF EXECUTIVE
OFFICER

{SEAL}

Position