

Ministry of Energy and Mines

Province of British Columbia MINISTRY OF ENERGY AND MINES

Report of Inspector of Mines (Issued pursuant to Section 15 of the Mines Act) Inspection No.:

64138

File:

18080-02-09 1641197

Mine No.: Permit No .:

G-9-270

Emp/Cont:

Orders H&S: Stop Work:

RECL

Mine Name:

DL 1948

Location:

Pink Mountain / 57.021, -122.831

Owner/Operator:

Barry Simpson

Address:

PO BOX 898 5651 Alaska Highway

Fort Nelson BC V0C 1R0

File

Manager:

Barry Simpson

Areas Inspected:

Date of Inspection:

2016/05/18

Accompanying Inspector(s):

MINISTRY OF

Persons Contacted

Management:

Jason Simpson

OHS Committee:

Workers Contacted:

PRINCE GEORGE, B.C.

A copy has been forwarded to the Joint Occupational and Safety Committee and the union as applicable. The Mine manager shall complete the right hand column noting specific corrective actions taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response. In this document, Code means Health, Safety and Reclamation INSPECTION ORDERS

On May 18, 2016 Brian Oke, Inspector of Mines talked to Jason Simpson, Operations Manager for Tangle Ridge on the phone about Mine site# 1641197 (Pink Mtn Rd Pit -DL1948 Pit), under Mines Act permit #G-9-270.

Jason stated that the mine site presently has a stockpile of 20-30,000m3 on site, the area of disturbance is approximately 75% of the permitted west pit (~7ha), and that there is a

SECTION: MA10 **Mines Act Permit Conditions**

Jason Simpson stated the active disturbance area on site is approximately 7ha. The Notice Work dated November 10, 2014, (approved on January 5, 2015) only approved the maximum un-reclaimed disturbance at any given time to be 3ha.

Moreover, the approved reclamation plan states, "reclamation will be continuous and progressive as aggregate is exhausted, as slopes will be excavated to 2:1 so no backfilling is necessary, the pit floor will be re-contoured to ensure no ponding of water and overburden spread to provide a receptive seed bed for forage grasses.

MANAGER'S RESPONSE:

DO NOT MODIFY THIS TEXT

Actual disturbance is estimated at less than 5.8 hectares as there is no stripping completed on the portion of the pit east of the pipeline that runs through the pit. As well there is a 15 meter buffer on each side of the pipeline.

A revised Reclamation Plan will be submitted that will address the pond and how banks will be modified to make it safe for livestock, amending the

Page 1 of 15 EGM-2016-62332

Brian Oke, RPF	BO .
Inspector of Mines, Permitting	DOL
Suite 350 - 1011 4th Avenue Prince George BC V2L 3H9	Signature - Inspector of Mines
Address	/_/
Copies To	Signature - Mayager
	Report Date: 2016/05/18

Jason Simpson stated that there is a large pond of water on site and no surface water is flowing into, or out or it (just an old, underground creek). *Mines Act* permit #G-9-270 (issued on January 5, 2015), condition #30 states: "Groundwater Table – The manager shall ensure sand and gravel is <u>not</u> excavated below a depth 1.5 metres above the high water table. A minimum of 1.5 metres of sand and gravel shall be maintained above the high ground water table."

Pursuant to S.10(9) of the Mines Act:

- · An owner, agent, manager or permittee must,
 - a) Hold and maintain a permit for the mine,
 - Ensure that no work takes place in, on or about the mine, except under and in accordance with a permit, and
 - c) Comply with all the conditions of the permit.

As such, based on the information provided to me, I have determined that you have undertaken work that is not in accordance with your permit, as well as not complied with all the conditions of the permit. Therefore, the following orders are hereby given:

- You are hereby ordered to cease and desist all activities on the mine site.
 Effective immediately.
- You are hereby ordered to provide an additional security deposit in the amount of \$33,000. To be provided to the regional inspector (mail to the Prince George office, attention Brian Oke, Inspector of Mines) by no later than June 8, 2016.
- You are hereby ordered to provide up to date maps and cross sections of the mine site, including all areas of disturbance. To be provided no later than June 15, 2016.
- You are hereby ordered to provide an updated reclamation plan for the mine site, including all areas of disturbance. To be provided no later than June 15, 2016.

maximum area under disturbance to 4.0 hectares and detail the area to be restored to reduce the active area to 4.0 hectares.

A copy of the security deposit and revised Reclamation Plan are attached, with an interim map showing the concept of these revisions.

Copies of up to date maps and cross sections will be provided by the due date.

Initials

(Manager

TANGLE RIDGE CUSTOM CRUSHING LTD RECLAMATION PLAN AMENDMENT II **DL1948**

MINE # 1641197 MINE PERMIT # G-9-270



June, 2016

Prepared for:

Barry Simpson

* Attached reclamed in Novarea

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reverse traded it). Tangle Ridge Custom Crushing Ltd.

Fort Nelson, B.C.

Prepared by:

Ron Sedor

North Forest Resources Management Ltd.

Fort Nelson, B.C.

Original signed: June 14, 2016

Reclamation Plan

Introduction:

In response to comments provided by Jason Simpson of Tangle Ridge Custom Crushing Ltd, an Inspection Order dated May 18, 2016 was issued by the Ministry of Energy and Mines (Mines). Under the order, all operations were to cease, additional security was to be provided, a new reclamation plan was to be submitted that addressed the pond that had been constructed and the area of disturbance, and a new contour map of the area of disturbance with cross sections was to be prepared and provided.

An initial revised Reclamation Plan was submitted pending resurvey of the pit, along with a conceptual map of proposed reclamation areas. The pit survey has been completed and plan and profiles prepared. Based on this information a revised reclamation map was provided.

Reclamation that is required to be completed under the requirements of the Inspection Report dated May 18, 2016 is to be in accordance with this plan and Best Practices followed to achieve this and during operations following achievement of compliance.

A significant portion of the pit has been stripped but not developed. The roll back of overburden on this area is integral to this plan as it is judged to be the fastest way to bring this pit back into compliance.

Sequence of Events to bring Pit into Compliance and status:

The additional security deposit will be submitted to Mines (completed). The disturbed areas of the pit will have to be resurveyed to provide accurate areas to guide reclamation plans and meet Mines requirements (complete). This revised plan as committed to in the conceptual plan is to be submitted to Mines, along with plan and profile from the surveyor.

Once the Reclamation Plan is approved by Mines, reclamation as described in this plan can proceed.

Once reclamation is verified, normal operations can proceed, in particular the removal of aggregate to allow further reclamation.

Area Summary of Proposed Actions leading to Compliance:

Estimated total disturbance at initial discussion, 7 hectares
Actual total disturbance: 5.446 hectares (plus 2 test pits in east portion of pit)
Area to be reclaimed around pond: 0.437 hectares
Area to be reclaimed in stripped but not developed area: 1.045 hectares

Disturbed area following reclamation (including the filling in of the test pits previously indicated): 3:974 hectares.

Pit Operations Following Compliance:

No further remediation can be done beyond that indicated in the previous section, until decked aggregate product can be removed in the pit. Once removed, reclamation will proceed in the southwest portion of the pit. As repeated in this plan, all operations will follow Best Practices as outlined in this plan.

General Best Practices to be followed throughout All Reclamation:

At no time in this pit will disturbed and un-reclaimed area exceed 4.0 hectares.

Reclamation will be continuous and progressive where possible.

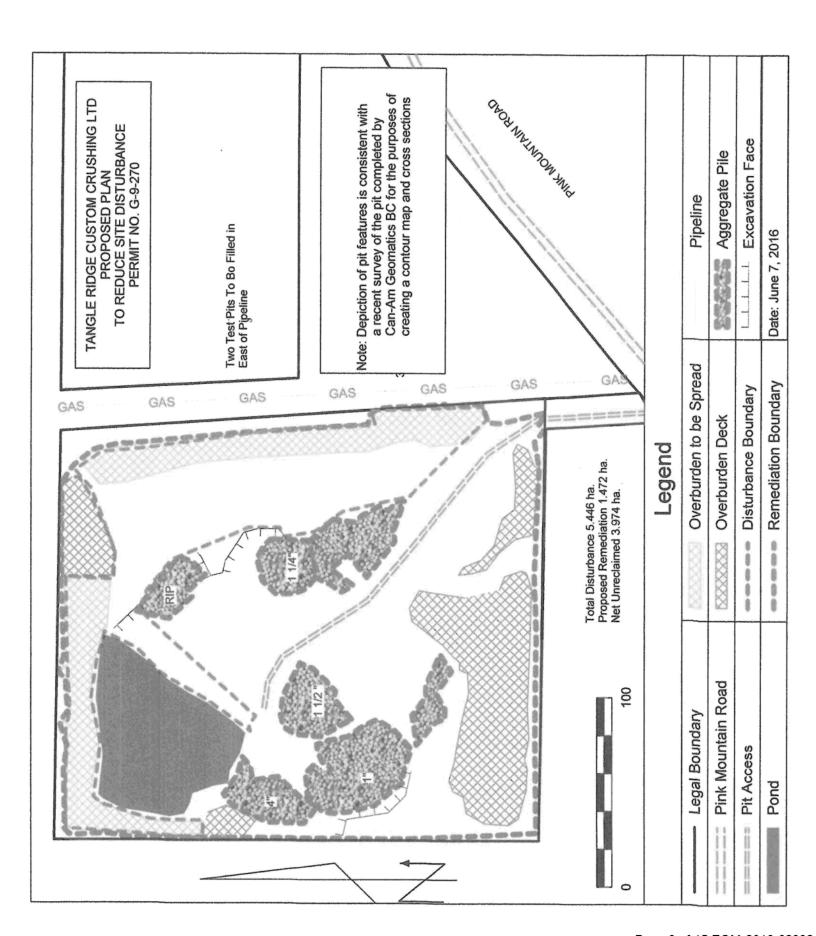
Over burden piles as noted on the attached map will be spread or relocated as part of the reclamation plan. These areas will be re-contoured to ensure that there is coverage of aggregate and that no ponding of occurs on this area.

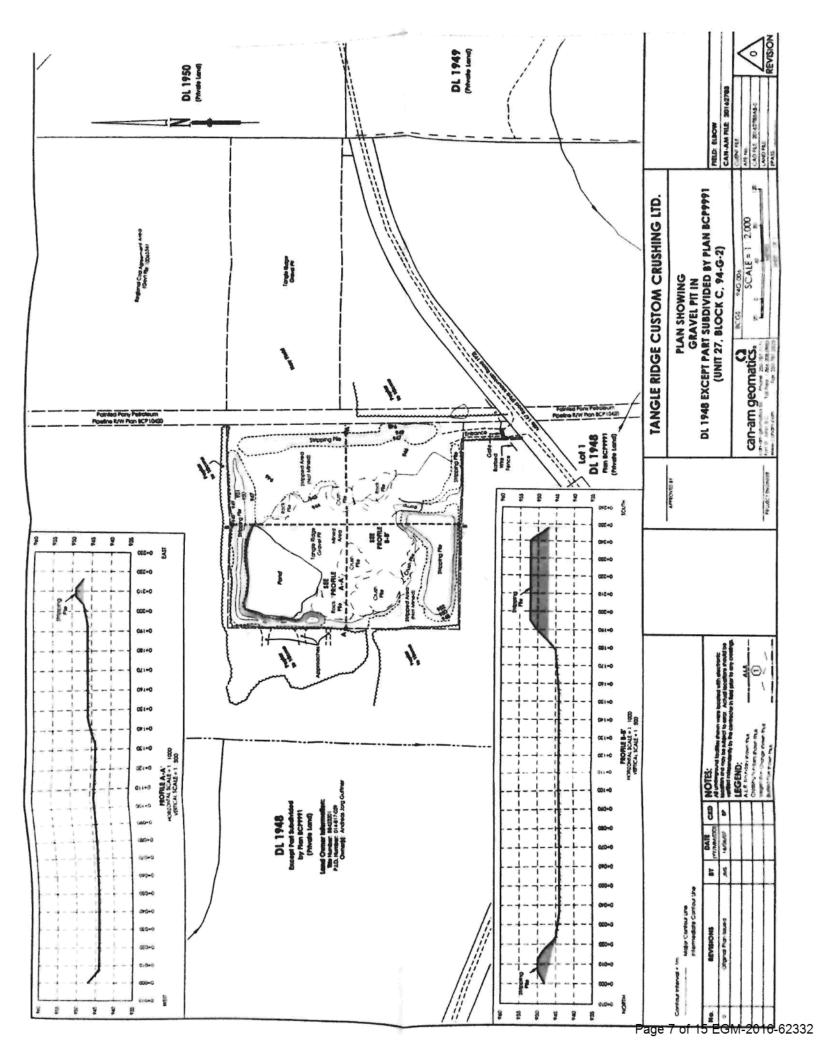
Slopes will be contoured to a maximum 2:1 slope.

The entire pit will be re-contoured to prevent ponding of water with the exception of a livestock watering site located in the north east corner of the pit.

As the portion of the pit that has been has not been stripped but not developed, this area retains the natural contours of the original ground line and additional overburden may be required to be applied, in order to ensure that water does not pond at this location.

The area around the watering site will be contoured so that the area is safe for livestock and seeded to forage grass for livestock, as will all other reclaimed areas of the pit.







RECLAMATION SURETY BOND

BOND NO. CMS2570003 PERMIT NO. G-9-270

KNOW ALL PERSONS BY THESE PRESENTS THAT TANGLE RIDGE CUSTOM CRUSHING LTD. (the "Principal") and TRISURA GUARANTEE COMPANY LTD., a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada as Surety (the "Surety") are held and firmly bound unto HER MAJESTY THE QUEEN in Right of the Province of British Columbia as represented by the CHIEF INSPECTOR OF MINES, as Obligee (the "Obligee"), in the amount of THIRTY THREE THOUSAND -----00/100 Dollars (\$33,000.00) lawful money of Canada (hereinafter called "the Bond Amount") for the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

WHEREAS, the Principal has filed or caused to be filed with an inspector under the *Mines Act* an operating plan ("the Operating Plan") outlining the details of the proposed work and a program for the conservation of cultural heritage resources and for the protection and reclamation of the land, watercourses and cultural heritage resources affected by the ____BUTTERKUP PIT__("the "Mine").

WHEREAS, the Principal has applied for and the Obligee has granted to the Principal Permit Number G-9-270 (the "Permit") which is subject at any time to amendment by the Obligee, to operate the Mine, subject to the terms and conditions and requirements of the Permit, the Operating Plan and the Mines Act.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal and Surety agree that, without notice to the Surety, the coverage of this bond, shall extend to and include performance of any conditions, obligations or requirements that are imposed under the laws of British Columbia relating to mines that in the opinion of the Obligee are related to reclamation or protection of, and mitigation of damage to, the land, watercourses or cultural heritage resources affected by the Mine, including but not limited to:

- Such conditions, obligations or requirements imposed by or under the Permit as amended from time to time including any conditions, obligations or requirements in the Operating Plan or any modifications or replacements of the Operating Plan, that are required or approved under the Permit.
- 2) All orders and directions of the Obligee or an inspector under the *Mines Act* respecting mine reclamation, protection of, and mitigation of damage to, watercourses and cultural heritage resources affected by the Mine.

NOW THEREFORE if the Principal shall promptly and faithfully perform and fulfill all the reclamation provisions outlined in the Permit, the Operating Plan and the Mines Act and shall also promptly and faithfully perform and fulfill conditions, obligations or requirements that are imposed under the laws of British Columbia relating to mines that in the opinion of the Obligee are related to reclamation or protection of, and mitigation of damage to, the land, watercourses or cultural heritage resources affected by the Mine, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Provided always that if the Surety shall at any time give ninety (90) days notice in writing to the Principal and to the Obligee of its intention to put an end to the Suretyship hereby entered into then this bond and all accruing responsibility thereunder shall from and after the last day of such (ninety) 90 days aforesaid cease and terminate except insofar as the Principal has made default prior to the said last day of such period, and provided that, should the Principal fail, within sixty (60) days of receipt by the Obligee of the said notice of termination, to provide financial security in at least the same amount as this bond in a form acceptable to the Obligee, the Surety shall automatically and immediately pay the full Bond Amount to the Obligee.

Whenever the Principal shall be, and declared by the Obligee to be, in default of any obligation covered by this bond, the Surety shall promptly pay the Obligee the lesser of the Bond Amount or the Obligee's proposed cost of remedying the default.

The bond will be valid for the term of MAY 24, 2016 to MAY 24, 2017 and shall be automatically renewed, without further documentation from year to year thereafter unless terminated as aforesaid, provided that the Surety may, if it wishes, issue certificates evidencing such renewal.

The Surety shall not be liable for a greater sum than the bond amount.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this 24TH day of MAY, 2016.

Signed and Sealed in the presence of:

TANGLE RUDGE CUSTOM CRUSHING LTD.

(seal)

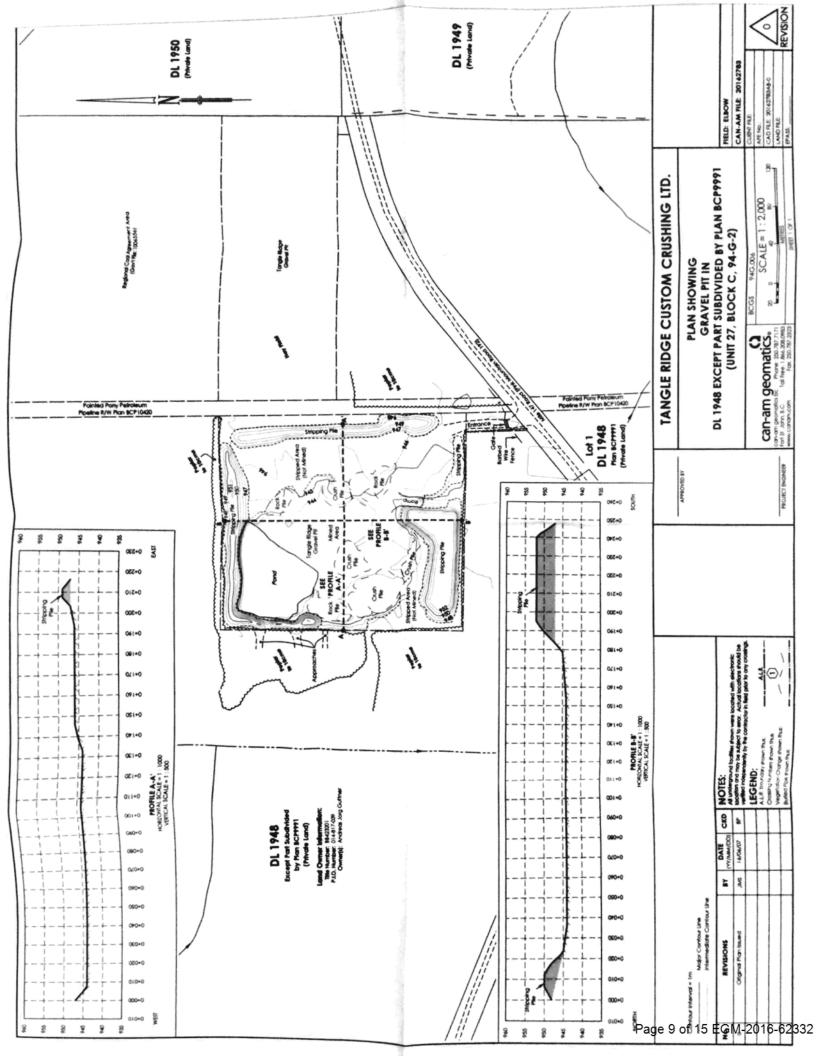
PRINCIPAL^N

TRISURA GUARANTEE INSURANCE COMPANY

(seal)

AMOUNT: \$33,000.00

MICHELLE ALDRIDGE, Attorney-in-fact



TANGLE RIDGE CUSTOM CRUSHING LTD RECLAMATION PLAN AMENDMENT DL1948 MINE # 1641197 MINE PERMIT # G-9-270

May, 2016



Prepared for:

Barry Simpson

Tangle Ridge Custom Crushing Ltd.

Fort Nelson, B.C

Prepared by:

Ron Sedor

North Forest Resources Management Ltd.

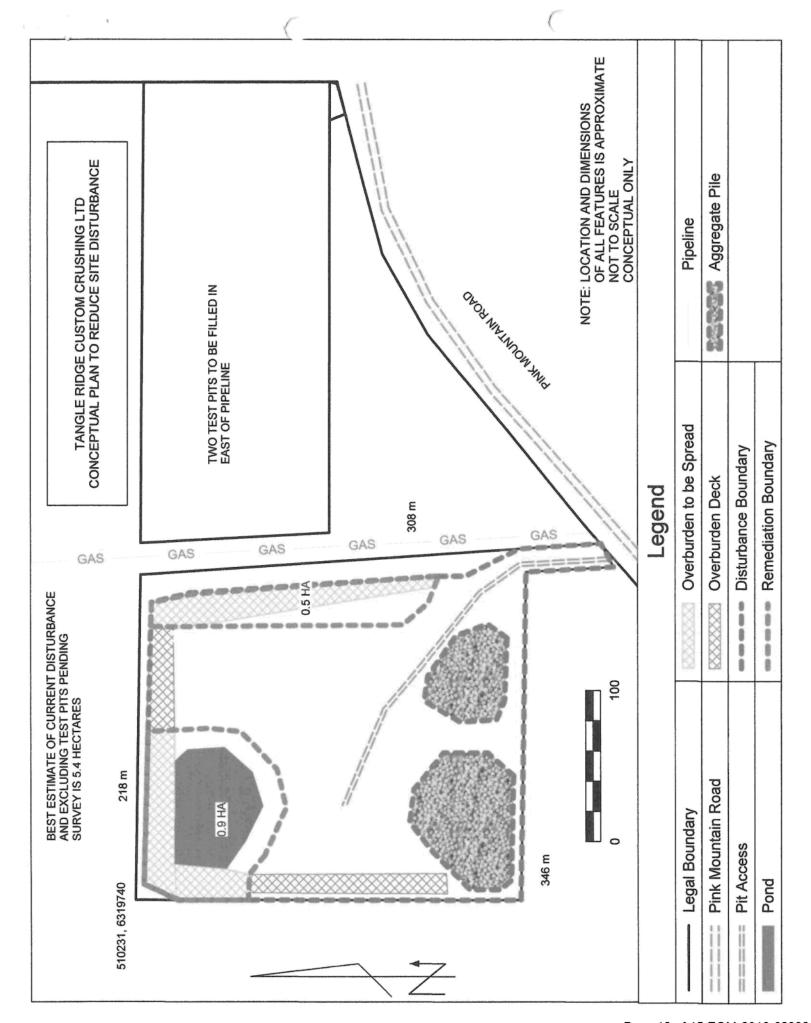
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Reclamation Plan

At no time in this pit will disturbed and un-reclaimed area exceed 4.0 hectares. Reclamation will be continuous and progressive. Over burden piles as noted on the attached conceptual plan will be spread or relocated as part of the remediation plan. Reclamation that is required to be completed by June 15 is to be in accordance with this conceptual plan. Reclaimed areas will be seeded to forage grass. Slopes will be contoured to 2:1.

The entire pit will be re-contoured to prevent ponding of water with the exception of a livestock watering site located in the north east corner of the pit. The area around the watering site will be contoured so that the area is safe for livestock and seeded to forage grass.

Surveyed maps and profiles are expected to be received by June 3, 2016. These maps will be forwarded to Mines at that time, along with an updated conceptual plan if necessary.





Province of British Columbia MINISTRY OF ENERGY AND MINES

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Permit No.: G-9-270

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PO BOX 898 5651 Alaska Highway Owner/Operator: Barry Simpson Address:

Fort Nelson BC V0C 1R0

Barry Simpson Manager: Areas Inspected:

Date of Inspection: 2016/05/18 Accompanying Inspector(s):

Persons Contacted

Jason Simpson Management:

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DO NOT MODIFY THIS TEXT

Brian Oke, RPF	BOK
Inspector of Mines, Permitting	Signature – Inspector of Mines
Suite 350 - 1011 4th Avenue Prince George BC V2L 3H9	
Address	Signature – Manager
Copies To	Report Date: 2016/05/18

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Date of Inspection 2016/05/18 Initials (Inspector) Initials (Manager)

