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# Imperial Metals pegs Mount Polley cleanup cost at \$67 million

GORDON HOEKSTRA, VANCOUVER SUN 11.17.2014 |



Contents from the Mount Polley tailings pond are pictured going down Hazeltine Creek into Quesnel Lake near the town of Likely on Aug., 5, 2014. *JONATHAN HAYWARD / THE CANADIAN PRESS*

Imperial Metals has estimated it will cost \$67.4 million for cleanup and rehabilitation of the Mount Polley gold and copper mine tailings dam spill.

The collapse of the tailings dam on Aug. 4 released millions of cubic metres of water and tailings containing potentially-toxic metals into the Quesnel Lake watershed, important habitat for Fraser River sockeye salmon.

The company released the cost figure — the first detailed estimate — with its financial results for the three months ending in September, a loss of \$49.2 million attributed largely to the loss of profits from Mount Polley.

Imperial's cleanup cost estimate is lower than those of some industry analysts.

Raymond James analyst Adam Low has estimated a cleanup cost of \$100-million. And BMO analyst Aleksandra Bukacheva noted the total scope of remediation costs is undetermined "even as the company reviews options for the resumption of operations." (Those options include repairing the tailings facility and temporarily using one of the pits to store tailings).

Bukacheva earlier pegged the cleanup cost to the company at \$200 million.

Imperial Metals had spent \$20.3 million of the \$67.4 million by the end of September, and expects to recover at least \$25 million through insurance coverage.

The remainder of the \$67.4 million is expected to be spent during the next nine months although there will be some future costs for sampling to test the results of the rehabilitation, the company said.

Imperial Metals CEO Bryan Kynoch said the stabilization and recovery phase of the tailings dam collapse is now complete, and the company has started work on rehabilitating the lower third of Hazeltine Creek.

The rush of tailings and water scoured and widened the nine-kilometre creek, home to spawning trout and Coho salmon.

“Our focus is try to do this as quickly as possible and try to be ready for next spring’s run-off,” Kynoch said Monday during a conference call to discuss the company’s financial results.

There is concern among residents in the nearby community of Likely, First Nations and environmental groups that the spring run-off will bring more tailings debris into Quesnel Lake.

Rehabilitation of the creek will include stabilizing banks and planting new vegetation, explained Kynoch.

The company does not expect to have to remove tailings from the creek because most of it ended up in Quesnel Lake along with material from the creek, he said.

In a written statement, B.C. environment officials said Monday information about the cleanup plan, which must be approved by the province, will be released shortly.

Environment officials said Quesnel Lake will be part of the cleanup plan.

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### Martin Kendell

Imperial Metals should have to restore the area to its original state, which includes removing

But I guess when you give mad cash to the Liberals, you feel you're entitled to cut a few corn of millions of dollars.

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### Earl Gyselman

Maybe Imperial Metals cost estimate is low compared to other estimates is because they do thorough job.

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