December 19, 2016

Dear Members of MAC's TSM Independent Tailings Management Review Task Force,

I am pleased to provide you with an update on our progress towards implementing the 29 recommendations made by the Towards Sustainable Mining (TSM) Independent Tailings Management Review Task Force to the MAC Board of Directors in November 2015.

In June 2016 a suite of revisions were made to the TSM Tailings Management Protocol to address many of the Task Force's priority recommendations. Since then, MAC's relevant committees – the TSM Governance Team, TSM Initiative Leaders and Tailings Working Group – have been focused on addressing the remaining recommendations through additional amendments to the Tailings Management Protocol and the development of an enhanced *Guide to the Management of Tailings Facilities.*

In November 2016, the MAC Board of Directors approved a second set of amendments to the Tailings Management Protocol, which address the remaining recommendations directly related to the Protocol.

In addition to the amendments outlined in the June 28th letter to the Independent Tailings Management Review Task Force, the following amendments have been made to the Protocol:

Recommendation 2.2 - *Modify Indicator 2 to clearly state that the site investigation and selection, design, construction, operation, closure and post-closure of tailings facilities must be managed in conformance with the Guide to the Management of Tailings Facilities.*

- Indicator 2 has been revised to ensure that the tailings management system includes requirements for all life phases of the tailings facilities (site investigation and selection, design, construction, operation and post-closure).

Recommendation 2.5 - *Include the definitions of audit and assessment from the A Guide to Audit and Assessment of Tailings Facility Management in the FAQ.*

- In June, the decision was made to add criteria at Level AAA throughout the Protocol that requires facilities to undertake an evaluation of effectiveness. A new FAQ, providing guidance on what is expected to achieve this level of performance, has been added to the Protocol. Work will continue in 2017 to ensure that the Protocol and guides use consistent terminology.

Recommendation 3.3 - *Strengthen language regarding role of the accountable executive officer and identify actions that should be taken to discharge accountability such as:*

- *reviewing risk assessment results;*
- *ensuring regulatory compliance; and*
- *signing off on the OMS manual.*

  - A new FAQ has been added to the Protocol that describes actions the accountable executive officer could take to demonstrate accountability for tailings management (e.g. reviewing risk assessment results, participating in tailings management reviews, participating in crisis management planning exercises).

Recommendation 4.1 - *Add criteria to Level A that specifies that:*

- *the review include an identification of deficiencies and a plan for corrective action with timelines.*
- *progress towards completing corrective actions are tracked and reported to the accountable executive officer.*

  - Indicator 4 has been revised to ensure that:
    - Deficiencies are identified and there are plans for corrective action with timelines.
    - Progress towards completing corrective actions are tracked and reported.

Recommendation 6.2 - *Integrate into the new member application process a mechanism to determine whether a prospective member currently meets Level A performance and how to treat prospective members who are not yet at Level A in all of the tailings management Indicators.*

- **New Membership Application Requirement** - The new member application process requires prospective MAC members to conduct a gap analysis of their tailings management system against the Tailings Management Protocol upon joining the association. New members that do not meet Level A criteria will be required to develop an action plan to achieve Level A performance within a three-year timeframe.

Recommendation 6.3 - *Require members that are not yet at Level A to disclose in the TSM progress report the actions planned to achieve Level A.*

- In addition to the guidance added to the introduction of the Protocol to require members that have not achieved Level A to develop action plans in June, Levels C and B have been revised to require that action plans have been developed.

Recommendation 9.1 - *Bring all aspects of community engagement from the Guides and Indicators into a new single indicator to address Aboriginal and community of interest (COI) engagement. The Indicator should be adaptable to reflect the priorities and concerns of individual communities.*

- The criteria related to community of interest engagement on tailings-related issues have been incorporated into Indicator 2 of the Aboriginal and Community Outreach Protocol. The requirements have also been expanded to include engagement on all identified risks to the community. A new frequently asked question has been drafted to provide guidance on how companies can demonstrate that they have processes in place to engage with COI on credible risks to the public that are associated with company activities. The FAQ provides examples of topics related to tailings management that could be of interest to the community.

- With the revisions to the Aboriginal and Community Outreach Protocol, the criteria related to community of interest identification are being removed from the Tailings Management Protocol. However, a statement has been added to the introduction of the Tailings Management Protocol to clarify that the criteria related to community engagement on tailings-related issues can be found in the Aboriginal and Community Outreach Protocol.

In addition to amendments to the *Tailings Management Protocol*, the Tailings Working Group is preparing a revised version of the *Guide to the Management of Tailings Facilities.* Revisions will address relevant Task Force recommendations, as well as recommendations from an internal review conducted by the Tailings Working Group. A version for review will be available in January 2017, and I will follow-up with Task Force members at that time regarding their possible input to the revised Tailings Guide.

In 2017, the Tailings Working Group will undertake revisions to the *Guide to Developing an Operation, Maintenance and Surveillance (OMS) Manual* to address Task Force and Tailings Working Group recommendations.

On behalf of MAC, thank you once again for providing us with your expertise in our review the TSM Tailings Management Protocol and accompanying guidance documents. Your contributions have helped strengthen this important component of the TSM Initiative, which should contribute to enhanced MAC performance in this critical area and, hopefully, raise the bar for the entire industry. Should you have any questions about the decisions above or on how work is progressing with respect to any of the other recommendations, please feel free to contact me, Ben Chalmers, Tara Shea or Charles Dumaresq.

Sincerely,

Pierre Gratton
President & CEO
Mining Association of Canada