

June 28, 2016

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

It is my pleasure to provide you with this initial update on our progress towards implementing the 29 recommendations made by the TSM Independent Tailings Review Task Force to the MAC Board of Directors in November 2015.

Since November, all of our relevant committees, including the Towards Sustainable Mining (TSM) Governance Team, TSM Initiative Leaders and Tailings Working Group, have been focused on amending the TSM Tailings Management Protocol (the Protocol) and the accompanying tailings guides to implement all of your recommendations. MAC's Community of Interest Advisory Panel has also provided input on how to address these important recommendations.

In mid-June, the MAC Board of Directors approved an initial set of amendments to the Tailings Management Protocol, which address a number of the priority recommendations of the Independent Task Force Report. Work continues over the next few months to address all the remaining recommendations to the Protocol and Guides and seek approval from the Board of Directors in November 2016 or March 2017, at the latest.

The following amendments have now been made to the Protocol:

**Recommendation 1.1: Include criteria to require that the policy be understood by employees with direct or indirect responsibility for the safety of tailings facilities.**

- Indicator 1, Level A now includes criteria to require that processes are in place to ensure that employees and contractors whose roles, either directly or indirectly, may affect the safety of tailings facilities understand the policy to a degree appropriate to their relevant level and function.
- A new FAQ will be added to the protocol to provide examples of positions with direct and indirect responsibilities for the safety of tailings facilities.

**Recommendation 1.2: Add criteria that, in addition to endorsement at the executive officer level, the policy is endorsed at a governance or board level.**

- Indicator 1, Level A now requires that policy and/or commitments are approved by senior management and endorsed at the governance level.

**Recommendation 1.3: Include a criterion to require that the policy be communicated to all employees.**

- Indicator 1, Level A now includes criteria to require that processes are in place to ensure that the policy and/or commitments are communicated to employees.

**Recommendation 2.1: *Consider new criteria for Levels A, AA and AAA for each of the Indicators in the Tailings Management Protocol related to the types of audits and assessments required at each level. Specifically:***

- ***A: internal audit***
- ***AA: external audit***
- ***AAA: external assessment, which includes an element of performance related to it and properly identifies risks***

The criteria for Levels A and AA have been revised to require an internal audit at Level A, an external audit at Level AA, and an external audit with an evaluation of effectiveness at Level AAA. This change has been made throughout the protocol.

**Recommendation 2.4: Clearly state that the cycle for conducting internal and external audits or assessments is at least every three years.**

- A new FAQ has been drafted to state that audits remain valid for three years. This guidance was previously found in a footnote within the protocol.

**Recommendation 6.1: Remove Levels C and B and require members that have not achieved Level A in all tailings management Indicators to develop action plans to achieve Level A and identify a reasonable timeframe to complete the action plans.**

**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.**

- The MAC Board of Directors agrees with the Task Force that it is unacceptable for a facility to remain at Levels C and B. However, after consideration, the Board decided not to remove Level B and C from the protocol at this time. However, the Board has amended the protocol to

require facilities that have not achieved Level A performance to develop and publish action plans (in the TSM Progress Report) for achieving Level A and require that those actions be implemented within three years.

In addition to the above amendments, during their work to incorporate your recommendations, the Initiative Leaders identified a few additional opportunities to strengthen the protocol further:

- **Emergency Preparedness:** The Tailings Working Group is leading the work to address the recommendations related to guidance on the OMS Manual. However, the Initiative Leaders are also proposing revisions to Indicator 5 that would strengthen the Level A requirements. Currently, the protocol requires emergency preparedness plans to be documented at Level A and tested at Level AA. The Initiative Leaders are proposing that emergency response plans be developed and tested to achieve a Level A rating. The proposed revision also specifies that emergency preparedness plans must be in conformance with the Guide to Developing an OMS Manual for Tailings and Water Facilities.
- **Assigned Accountability:** The Initiative Leaders have proposed changing the criteria of Indicator 3, Level B to require assignment of accountability to an executive officer and that responsibility for tailings related issues and performance be delegated to appropriate personnel. The requirement to delegate responsibilities was previously required at Level A.

The ILs are also proposing that the language related to delegation of responsibility for tailings facilities be strengthened to require that the responsibility is delegated to *qualified* personnel.

I would like to take this opportunity once again to thank you all for your efforts to help us improve our TSM Tailings Protocol and guides and will commit to providing another update on progress after our next Board of Directors meeting in November. Should you have any questions about the decisions taken above or on how work is progressing with respect to any of the other recommendations, please feel free to contact myself, Ben Chalmers, Tara Shea or Charles Dumaresq.

Sincerely,

Pierre Gratton  
President and CEO  
Mining Association of Canada