

August 19, 2013

1301660200-LTR-V0004-00

VIA COURIER

Ms. Tracey Braun, M.Sc.
Director of Environmental Approvals Branch
Manitoba Conservation and Water Stewardship
123 Main Street, Suite 160 (Box 80)
Winnipeg, MB R3C 1A5

Dear Ms. Braun

Subject Notice of Alteration #20 - Crown Pillar Mitigation Project

Tantalum Mining Corporation of Canada Limited (TANCO), a wholly owned subsidiary of Cabot Corporation, is pleased to submit the attached Notice of Alteration (NOA) to update Manitoba Environment Act Licence No. 973. The NOA and supporting documents have been prepared to facilitate review and approval of the temporary construction of a dike in Bernic Lake, temporary dewatering of the west basin, and associated structures/activities. No other operational changes (i.e., mining or milling rate) are proposed.

As you are aware, there was recently a significant fall of ground (2,500 tonnes) from the roof of the TANCO Mine in March 2013. This follows another fall of ground that occurred in 2010. The fall of ground occurred in an area of the mine that is under Bernic Lake. Cabot promptly commissioned an independent investigation of crown pillar stability at the site of the fall of ground. Internal and external parties are in agreement that the Tanco Mine crown pillar under Bernic Lake will continue to deteriorate and that a failure and potential breach to the surface is probable over time.

A failure of this nature could have significant consequences on the aquatic environment of Bernic Lake, the safety of Cabot's employees, the communities that depend on the mine to provide direct and indirect benefits, and the long-term outlook for Cabot's business globally, and especially in Manitoba. It is of the utmost importance that, in consultation with the Government of Manitoba, we move forward promptly to mitigate the potential risks associated with the anticipated crown pillar failure.

Isolation of the mine from the lake was identified as the safest and most practical approach as it allowed the best opportunity to mitigate the environmental effects of a crown pillar failure on Bernic Lake, could be completed in the time frame needed, and would minimize risk to employees and contractors. A phased approach was determined as the best course of action. Phase I will involve the construction of a temporary dike at the narrows of Bernic Lake. This will allow the dewatering of the west basin of Bernic Lake and the alleviation of immediate risks to the mine. Phase II will involve geotechnical investigations at the permanent (to end of mine life) dike location, much closer to the mine, detailed design, and dike construction. Upon completion of the second dike, the west basin would be allowed to refill and then the

Tantalum Mining Corporation of Canada Limited

Box 2000, Lac du Bonnet, Manitoba R0E 1A0, Canada

Tel 204.884.2400 **Fax** 204.884.2211 www.cabotcorp.com

temporary dike would be decommissioned. Except for the relatively small area enclosed by the permanent dike, Bernic Lake would be returned to its natural state and drainage route. It is expected that the temporary dike would be in place for a period of 2-4 years.

The information provided in the Crown Pillar Mitigation Project Description (attached) is conceptual in nature at this time; however, we do not anticipate that detailed design will alter the overall effects assessment. Detailed design and environmental information will be provided to Manitoba Conservation and Water Stewardship in the form of an addendum, as required.

With the emphasis on pace, the risk to human safety, and continued employment and livelihood of the people of Lac du Bonnet and surrounding communities, we request that the Government of Manitoba promptly consider this request to allow TANCO to proceed with the mitigation as proposed.

We thank you in advance for your attention to this urgent matter and are happy to meet with you to review the proposal and/or provide further information on request. If you require further information to support NOA #20, TANCO and Tetra Tech are fully committed to respond in a timely manner. Please do not hesitate to contact me at any time with regards to our submission at (204)884-2400 ext. 201. Alternatively, please contact Jennifer Wilson at Tetra Tech at (204)954.6926.

Sincerely,



Will Brits
Facility General Manager
Tantalum Mining Corporation of Canada Limited

Copy Siobhan Burland Ross, Manitoba Conservation and Water Stewardship
Jennifer Winsor, Manitoba Conservation and Water Stewardship
Cal Liske, Manitoba Innovation, Energy and Mines
Chris Beaumont-Smith, Manitoba Innovation, Energy and Mines
Garry Courchene, Manitoba Innovation, Energy and Mines