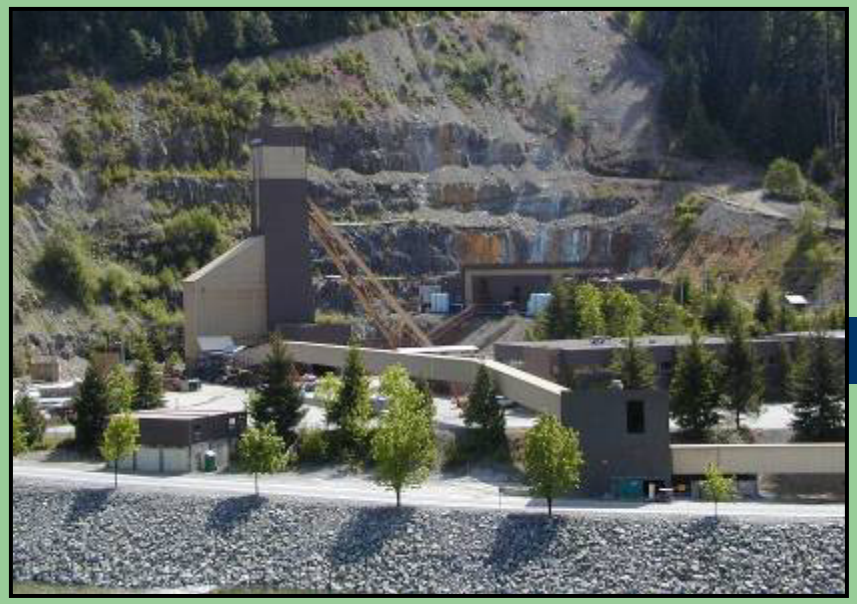
NVI MINING LTD.
MYRA FALLS OPERATIONS

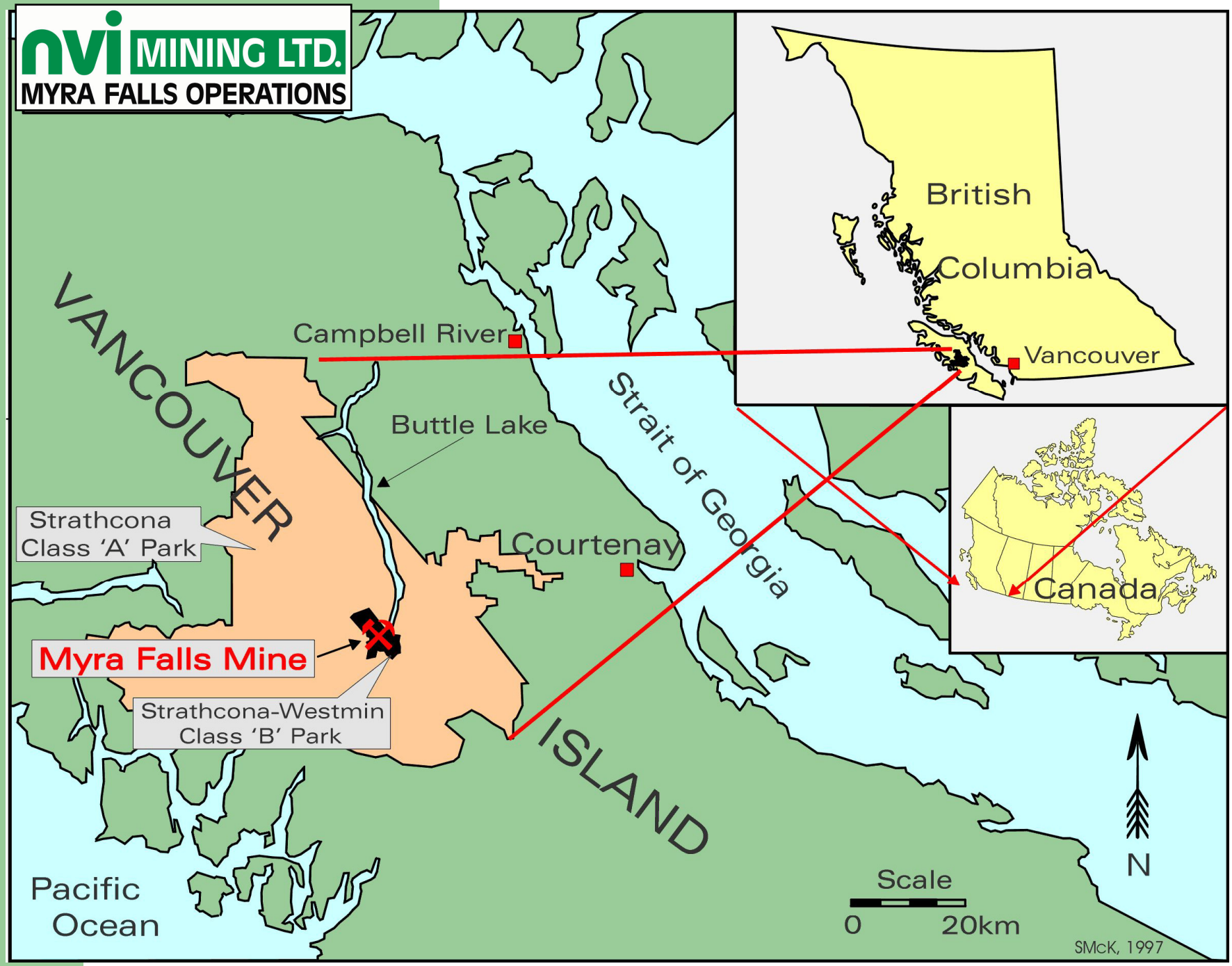


Managing 3 meters of Rainfall per year

Ben Chalmers

Sharlene Henderson

Ivor McWilliams


nvi MINING LTD.
MYRA FALLS OPERATIONS
British
Columbia
Vancouver
Canada
VANCOUVER
Campbell River
Buttle Lake
Strait of Georgia
Courtenay
Strathcona
Class 'A' Park
Myra Falls Mine
Strathcona-Westmin
Class 'B' Park
ISLAND
Pacific
Ocean
N
Scale
0
20km
SMcK, 1997

Myra Falls Operations

- Underground base metal mine producing zinc and copper concentrates with gold and silver credits.
- Accessed by a 90 km asphalt road from Campbell River
- In operation since 1966 (prospecting dates back to 1864)
- Mined 26 million tonnes
- Employs 469 people
- Unique setting located within a Provincial Park
- Footprint of 220 ha within the 3300 ha Strathcona-Westmin (Class B) Provincial Park.

Strathcona Provincial Park
Rugged Mountain Wilderness Area





Mine Site Overview and Topography

Collection and Treatment of Mine Drainage Inputs

- Historic waste rock dumps
- Tailings disposal facility(ies)
- Dormant/exhausted mines – Lynx and Myra, both open pit and underground
- Active underground mines – HW and Phillips Reach
- Mill complex and Paste Plant
- Camp and administration buildings
- Surface runoff

Lynx Underground Mine input

HW Mine and Myra Mine input

Surface runoff capture

Waste rock dumps and Tailings Facility

Tailings Facility decant

New Pump House

Water Treatment System

- Collection, discharge and mixing of all inputs upstream of the primary water treatment pond - Superpond
- Lime addition / pH adjustment at the head of the Superpond to precipitate metal hydroxides
- Six downstream settling ponds

Mixing of collected inputs

Water Treatment System

Water Treatment System 2006

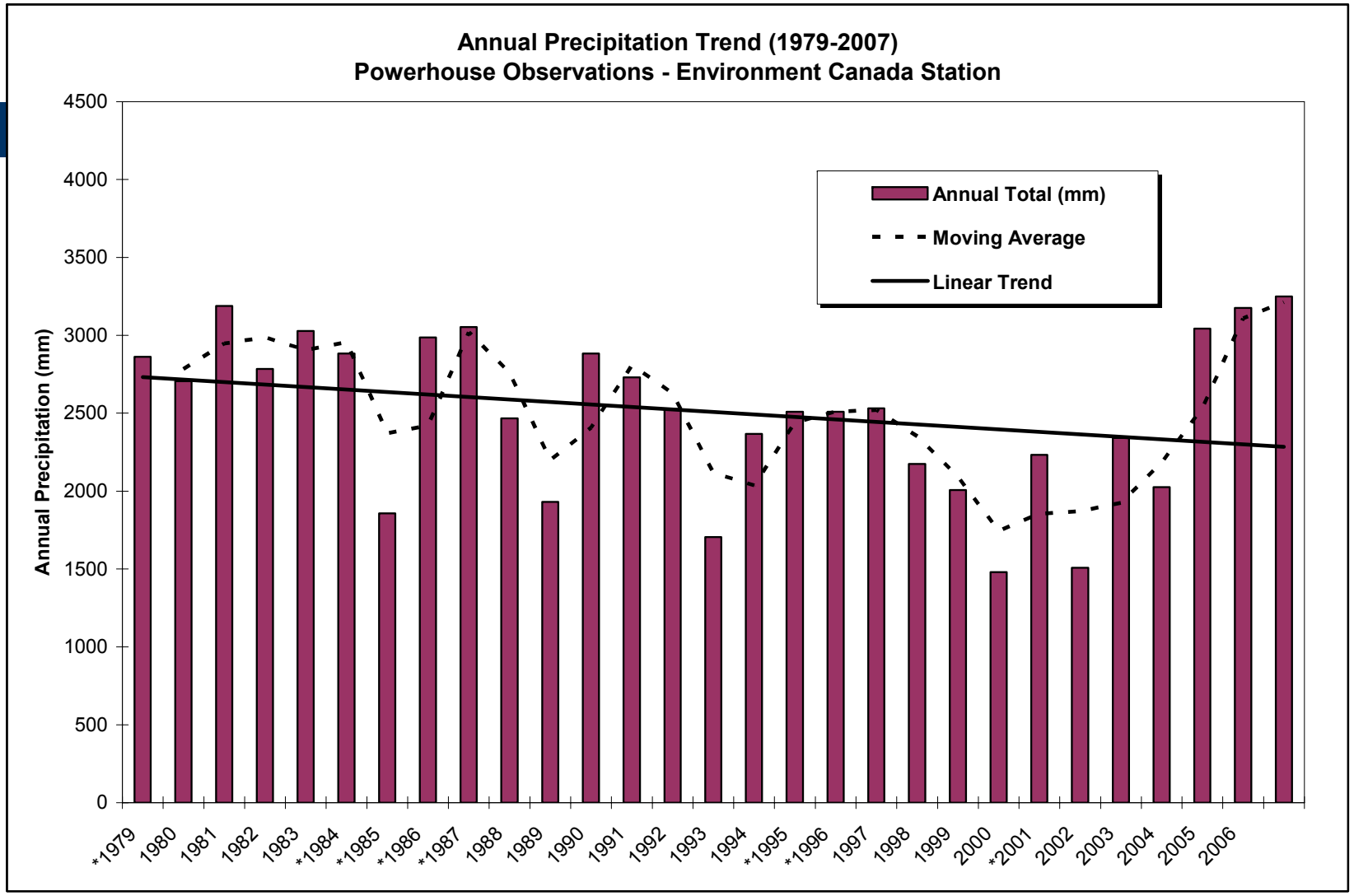
Pre-treatment vs. Post-treatment – in mg/L						
MIX TANKS						
	pH unit	**TSS**	**T- Zn**	**T - Cu**	**T - Pb**	**T - Cd**
Mean	7.17	136.5	6.96	2.99	0.212	0.046
Range	5.8 - 11.5	6.3 - 998	0.0 - 16.2	0.3 - 74.7	0.1 - 0.76	0.0 - 0.089
EFFLUENT						
	pH unit	**TSS**	**T- Zn**	**T - Cu**	**T - Pb**	**T - Cd**
Mean	8.87	5.52	0.23	0.024	0.0026	0.007
Range	7.7 - 9.49	3 - 10.9	0.023 - 0.973	0.0041 - 0.0794	0.0006 - 0.0089	0.0003 - 0.239

Challenges

- Geography – steep slopes, fast runoff, limited diversion options, small footprint
- Changing weather patterns – greater extremes, more precipitation
- Cyclical nature of mining with changes in
  - Tailings disposal strategy
  - Regulations and permits
  - Mining rates
  - Ore types
  - Mining methods
  - Ownership
  - Metal prices

Geography of Myra Valley

Annual Precipitation 1979-2007 projected



Myra Creek in full flood

Lynx Diversion Ditch

Lynx Diversion Ditch breached

Lynx Diversion Ditch under repair

Myra Falls

Debris flow

Road washout

Thelwood Bridge washout

Jim Mitchell pipeline

Jim Mitchell washout and debris flow

A Challenge Met

- Buttle Lake Recovery
  - In the mid-70s Buttle Lake showed increasing zinc trends and decreasing plankton trends.
  - In 1982 a new water treatment system was constructed around the waste rock dumps to intercept ARD
  - Elected to switch from subaqueous tailings deposition in the lake to surface storage in 1984 (Social License)
  - By 1995 the aquatic ecosystem had recovered dramatically and was considered to be equivalent to pre-mining conditions (Hallam Knight Piesold, 1995)

Zinc Concentrations in Buttle Lake 1966 - 1995

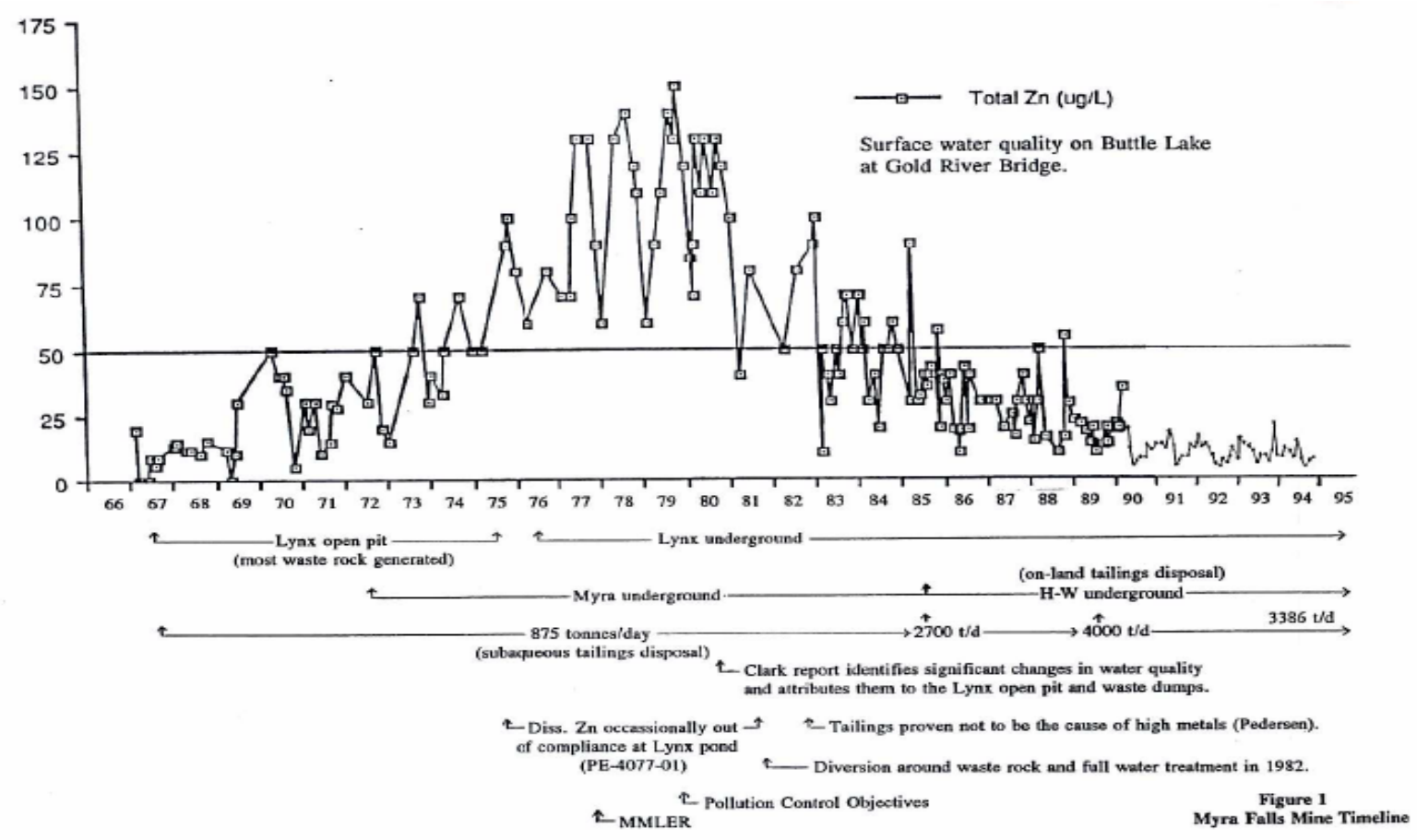


Figure 1
Myra Falls Mine Timeline

Addressing the future

- The new site Water Balance will help
  - Quantify all inputs
  - Identify inputs for possible point source treatment
  - Take advantage of new water treatment technology
  - Reduce reliance on pumping and lime addition
- The new Outer Drain and Pump House will help
  - Focus pumping from those sections of the Tailings Facility Outer Drain that must be captured and treated

Addressing the future (continued)

- The new Lynx Paste Tailings Facility will soon be functional, with potential for short term rain storm storage
- A vegetated cover on the current Tailings Facility and a more aggressive reclamation of the existing footprint will help slow the rate of surface runoff

Water Balance – impact of rain storms

Input	Average day	Rain storm
	29,000m3	87,000m3
Mill Process	21%	9%
HW/Myra Mine	6%	4%
Phillips Reach/Lynx Mine	7%	8%
Lynx Pit runoff	1%	11%
HW/Camp buildings and runoff	3%	7%
TDF and Paste Plant	16%	30%
Pump House	46%	31%

Reclaim water at 8,000m3

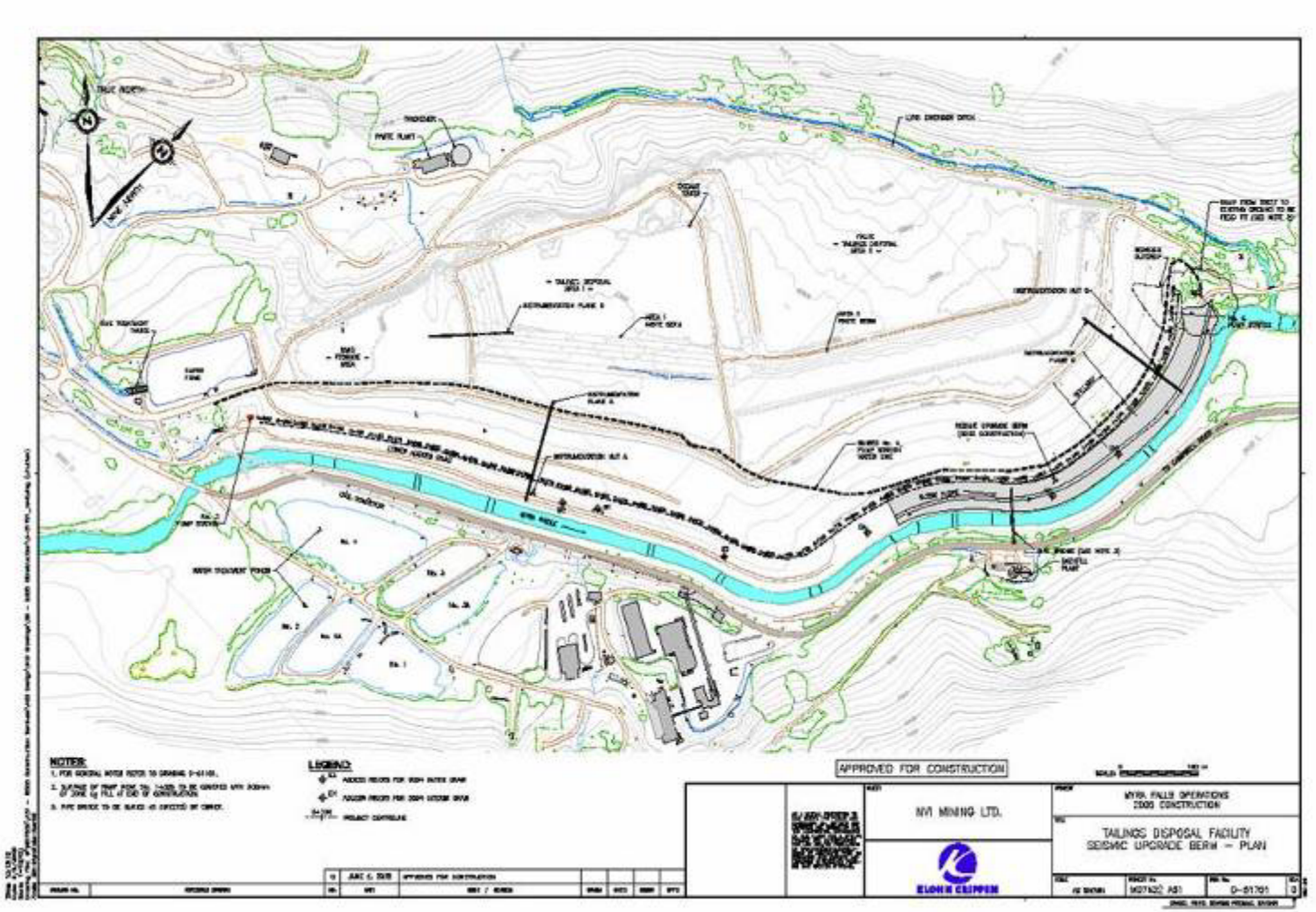
The Tailings Facility Dam Upgrade Work

2004

2005

2006

2006 TDF Upgrade Work



Paste Tailings Slope