

Regional Operations, Health & Safety
Location: 5th Floor, 1810 Blanshard Street
Address: PO Box 9320, Stn. Prov. Gov't, Victoria, B.C., V8W 9N3
Phone: (250) 952-0480 Fax: (250) 952-0481

March 14, 1997

File: ~~14745-40/MTPO/01~~

Mr. Brian Kynoch
VP Operations
Mt. Polley Mining Corp.
700, 815 W. Hastings St.
Vancouver, B. C.
V6V 1B4

Dear Mr. Kynoch:

RE: MOUNT POLLEY TAILINGS DAM PERMISSION TO IMPOUND WATER

The report Operation, Maintenance and Surveillance Manual for Stage Ia Embankment (El. 927 m) by Knight Piesold dated March 11, 1997 was reviewed.

The report and required operating program is satisfactory, however the drawings will have to be replaced with updated drawings as they become available.

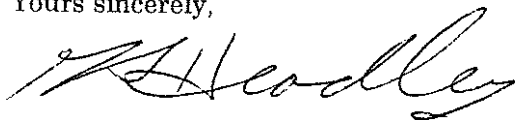
Permission is granted to fill the impoundment and operate the tailings facility for water storage. This permission is contingent on satisfactory submission and review of the reports listed below and implementation of appropriate recommendations. Please submit the following to this office (two copies) and to E. Beswick, Regional Manager as soon as available:

1. The updated design and as - built drawings for the Operation, Maintenance and Surveillance Manual for Stage Ia Embankment (El. 927 m);
2. Up dated design and As-Built Report; and
3. Final report on the operation of the facility for water storage by Fred Mattich.

MEI is the lead agency for permission to operate and nothing further is required from the Water Management Branch of MELP.

Please call me at 952-0480 if you have any questions regarding the above.

Yours sincerely,



George S. Headley, P. Eng.
Senior Geotechnical Engineer

cc: E. Beswick, MEI, Prince George
K. Brouwer, Knight Piesold
W. Jolley, MELP, Victoria