

19745-40/MTRD/01

MOUNT POLLEY MINING CORPORATION

MP00096

May 23, 1997

BY FAX: (250) 952-0491

Mr. George Headley
 Ministry of Employment & Investment
 1810 Blanshard Street
 Victoria, B.C. V8W 9N3

Dear George:

Re: Application for License to Discharge Tailings

Mount Polley Mining Corporation (MPMC) have completed construction of the first stage of the tailings facility and are currently storing approximately 2.5 million m³ of fresh water within the impoundment pond which is at El 926 m. It is recognized that the current situation where-in the tailings impoundment is being operated as a water storage reservoir represents the worst case operating conditions. Mill start-up is scheduled for the first week of June, 1997, when tailings deposition will allow for an increased level of security as the accreting tailings solids will reduce seepage gradients and improve embankment stability.

Knight Piésold Ltd. are currently completing the *Updated Design Report* which will include as-built documentation for the 1996/97 construction program. A copy of these as-built drawings will be available to you on site on Tuesday, May 27 for your immediate reference, and the report will follow shortly, once MPMC have finalized their review. Knight Piésold are also currently updating the *Stage 1a Operations, Surveillance and Maintenance Manual* which will also be forwarded within the next two weeks, once all internal reviews are complete. The *Stage 1 Construction Report* is also under preparation by Knight Piésold and will be completed by the end of June, 1997.

We trust that this information is sufficient for you to provide formal approval for MPMC to commence discharge of tailings into the impoundment. Please contact the undersigned or Mr. Ken Brouwer of Knight Piésold Ltd. if you require additional information or clarifications.

Yours truly,

MOUNT POLLEY MINING CORPORATION


Malcolm Swallow
 Project Manager

cc: Brian Kynoch, Imperial Metals Corporation
 Don Parsons, Mount Polley Site
 Ken Brouwer, Knight Piésold

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