



June 3, 1997

File: 14745-40/MTPO/01

Bryan Kynoch, P. Eng.
Senior Vice President
Imperial Metals Corporation
420 - 355 Burrard St.
Vancouver, B.C. V66 2G8

Dear Mr. Kynoch

Re: Application for License to Discharge Tailings

Your application letter entitled Application for License to Discharge Tailings dated May 23, 1997 was received. Consultant report drawings Updated Design Report Drawings by Knight Piesold dated May 1997 were reviewed on site May 27, 1997. Stage 1b Operations, Surveillance and Maintenance Manual by Knight Piesold dated March 11, 1997 was reviewed and accepted previously.

The reports, drawings and operations manual and monitoring program are satisfactory.

It is understood that the company will submit to MEI the following:

1. An updated Stage 1 Operations, Surveillance and Maintenance Manual
2. Updated Design Report with as-built information for 1996/1997 construction
3. Stage I Construction Report

Permission is granted to operate the tailings facility using the recommended monitoring program. Please submit the three reports to this office and to E. Beswick, Regional Manager as soon as they are available.

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

Yours sincerely,

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

cc: E. Beswick
J. C. Errington