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MP00127



MOUNT POLLEY MINING CORPORATION

A DIVISION OF IMPERIAL METALS CORPORATION

MINISTRY OF ENERGY AND MINES
REC'D OCT 29 2001

Mr. George Headley
Ministry of Energy and Mines
Mines Branch
4th Floor, 1810 Blanshard Street
Victoria, BC
V8W 9N3

October 25, 2001

Dear Mr. Headley:

Mt. Polley Mine Tailings Storage Facility
Report on Stage 3 Construction
Permit M-200

The tailings embankments were recently raised under Stage 3 construction to Elevation 942.5 metres. Work started in April 2000 and finished in August 2001. The design criteria, quality assurance / quality control records, instrumentation and monitoring data is documented in the attached report.

Tailings addition to the facility was suspended on October 15, 2001. The impoundment was surveyed October 18th. The water balance will be updated. Supernatant quantity, storage volume and freeboard will be determined for the current facility geometry.

The Ministry of Water, Land and Air Protection approved the discharge of tailings impoundment supernatant to the Cariboo Pit on October 18th. Pumping has begun and is expected to continue until adequate storage and freeboard has been provided, estimated to be mid-November.

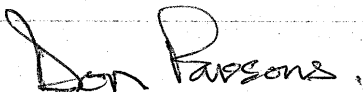
An Operation, Maintenance and Surveillance Manual is under development in consultation with the Ministry of Water, Land and Air Protection and Knight Piésold Ltd.

XR GRIT 3531

Please accept this *Report on Construction (Ref. No. 11162/14-3)* as part of our commitment to the M-200 Permit. Do not hesitate to contact the undersigned or Mr. Ken Brouwer or Mr. C. Wilson Muir of Knight Piésold should you have any questions regarding this report.

Yours truly,

MOUNT POLLEY MINING CORPORATION

A handwritten signature in black ink that reads "Don Parsons". The signature is written in a cursive style with a large initial "D".

Don Parsons

Mine Superintendent

Enclosure(1): *Report on Stage 3 Construction (Ref. No. 11162/14-3, Rev 0)*,
October 19, 2001