

**MOUNT POLLEY MINING
CORPORATION**
A DIVISION OF IMPERIAL METALS CORPORATION

October 5, 2006

MINISTRY OF ENERGY AND MINES
P.O Box 9320
Stn.Prov.Govt
Victoria, B.C
V8W 9N3

Attention: Chris Carr, Geotechnical Engineering

RE: Mount Polley Geotechnical Inspection – August 30th/2006

Please find our response to those items listed in the above referenced report:

Tailings Storage Facility:

The MEMPR Geotechnical Inspection Report (dated August 30, 2006) states:

"With respect to the tailings beach width, the Ministry requests specification of the minimum design beach width that is required for construction and operation."

KP Response: The tailings embankments have been designed to remain stable for any condition and therefore there is not a 'requirement' for a minimum beach width in terms of embankment performance.

A staged tailings deposition strategy is currently being implemented by MPMC and one of the objectives of this plan is to ensure that tailings solids are deposited along the extent of all tailings embankments. The fundamental requirement of the tailings deposition plan is to ensure that a blanket of tailings solids are present immediately upstream of all embankments and along the abutments. Thus there is a fundamental objective to establish beaches adjacent to the embankments, but it is not necessary to continuously maintain a minimum width of exposed beach adjacent to the embankment, and periodic temporary (less than 2 months duration) shallow flooding (less than 0.5 meters depth) of the beaches is anticipated.

Tailings sand placed by dozers in spigotting cells along the upstream Zone U of the tailings embankment is also considered to be 'tailings beach' for this evaluation. One of the objectives of the tailings deposition plan currently being implemented by MPMC is to allow for sufficient flexibility to enable these Zone U cells containing dense spigotted tailings sand to be constructed. It is recognized that this deposition strategy may result in short term flooding of the sandy tailings beaches elsewhere within the impoundment, but

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that the depth of flooding along the submerged tailings beaches must be no greater than 0.5 m depth before tailings deposition is re-instated over that section of flooded beach.

MPMC increases the frequency of measurements to at least once per week for embankment instrumentation systems (piezometer readings, foundation drain flow rate and turbidity) adjacent to embankment areas where tailings beaches are temporarily flooded.

Bell Pit

The East and West wall prisms in the Bell pit are being monitored daily and the movement is being calculated daily. The daily velocities (mm/day) are being plotted. The daily results are compared to the average for each prism. Any readings greater 150% of the average will be re-surveyed and re-calculated. If the first reading is confirmed the pit foreman will be notified to move all production away from the wall in question until the daily readings have returned to normal and the wall has been deemed safe. Extensometers have been placed along the West wall and are being measured daily and plotted using the same parameters as the prisms. A representative from Golder and Associates will be on site in October to review the pit walls and we will decide on a plan to unload the West wall in the failure area. The Bell pit design has been modified to reflect Golder's revised pit slope parameters. A rock impact barrier has been placed along a portion of the North haul road in an area showing a bit of raveling in the wall.

Bell Dump

Dumping along the West (swamp) side is continuing and is being closely monitored. The advance into the swamp is kept to a low rate by making passes along the length of the dump. This allows the swamp at the toe of the rock to de-water as we proceed. The ramp off the northeast corner has been blocked off except for pick-up access..

Northeast Zone Dump

Continues to be closely monitored and constructed within the parameters outlined on the M200 permit and variance.

Wight Pit

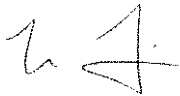
Prisms have been ordered and will be installed along the crest of the high-wall.

We have also started a program of visually inspecting the crests of all the pits on a monthly basis.

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Should you have any questions or comments, please feel free to contact me at (250)
790 -2215 extension 200

Regards,

A handwritten signature in black ink, appearing to read 'T. Fisch', with a stylized flourish at the end.

Tim Fisch

General Manager
Mount Polley Mining Corporation
tfisch@mountpolley.com