

REPORT OF GEOTECHNICAL INSPECTOR

(Issued pursuant to Section 15 of the Mines Act)

Name of Property: Mt. Polley File: 18040-02-07/MTPO/01
Location: Williams Lake
Mine Manager: George Wight
Company: Imperial Metals
Address: P.O. Box 12
Likely, B.C.
VOL 1N0
Persons Contacted: Brian Kynoch, Ian Thompson, Chris Wilde, Ken Brauwer
Type of Mining: Gold/Copper open pit
Date of Inspection: May 27, 1997

An inspection of the tailings facility, south east sediment pond, open pit and waste dump was conducted on the above date in the company of Brian Kynoch, Ian Thompson, Chris Wilde, Ken Brauwer and Dave Pow. The following areas in particular were noted during a general geotechnical inspection:

Tailings Facility

This inspection confirmed as built conditions and water impound performance for approval to deposit tailings. Conditions were very good. The following areas were inspected: dam crest, upstream face, downstream face and toe, foundation drain sump, seepage collection pond, toe drains for the chimney drain, reclaim barge and channel, perimeter embankment, and ground surface east of dam toe. Drains and piezometers were functioning normally with generally small or no changes since filling. A one metre head increase in several foundation soil piezometers, a small increase in foundation drainage flow from both upstream drains, and drainage from the chimney drain were noted. Unsuitable construction soil and snow were being removed during grooming of the dam toe.

Noted on Bf

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Open Pit

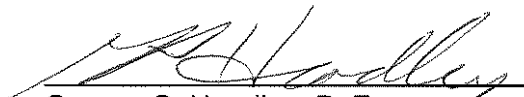
One initial pit bench and north face were observed. The structural geology indicates that the original geotechnical design wall with 70 to 75 degree double bench faces may be optimistic. Geotechnical mapping for an updated wall design should be carried out by company personnel with guidance, analysis and design by the company's geotechnical consultant. It is understood that the mining plan may be revised, based on new drilling and the geotechnical investigations.

Waste Dump

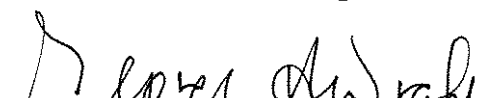
Site conditions were satisfactory. Soil recovery appears excellent.

South East Sediment Pond

The embankment was inspected. Seepage was observed on the embankment and at the toe at the south corner. Tension cracking, soil sloughing, toe erosion, ponded water and soft soils were observed in various parts of the soil spoil below the embankment toe. The company shall regrade or remove the loose soils, install drainage, and inspect this area periodically to ensure stability of the main embankment.


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

Date: June 5, 1997


Signature - Manager

Date: July 21, 1997

Written response is required by the Mine Manager 15 days after receiving this report.

cc: D. Pow