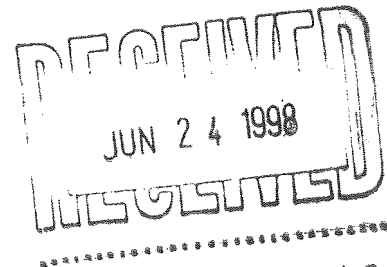




Province of British Columbia
Ministry of Energy and Mines

MINES BRANCH



18040-02-07/MTPO/01

MP00164

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, British Columbia
VOL 1N0

Persons Contacted: George Wight, Don Parsons, Eric Leneve, Chris Wilde, and Ken Brauwer

Type of Mining: Metal open pit

Date of Inspection: June 4, 1998

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

Tailings Facility

This inspection confirmed as built conditions of Stage 2A 1998 construction. The dam crest, upstream face, downstream face and toe, foundation drain sump, seepage collection pond, perimeter embankment and a foundation relief well installation were inspected. The construction standard was high with good attention to detail and housekeeping.

Minor tension cracking was observed over a 100 m long by 5 m wide segment along the upstream crest side. Settlement of fine tailings between spigotting locations caused the cracking. Knight and Piesold stated that there would be no effect on core stability or permeability performance. Logs and woody debris shall be excluded from beach area within the footprint of the dam.

Open Pit

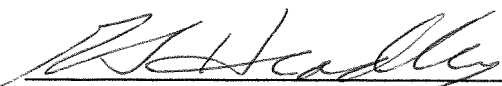
East and north faces have been mined to temporary walls. The company approach to evaluating blasting, structural geology, mapping, and pit design at temporary walls is satisfactory, conservative and flexible. A final wall design based on structure and new ore reserve drilling is not yet established.

Waste Dump

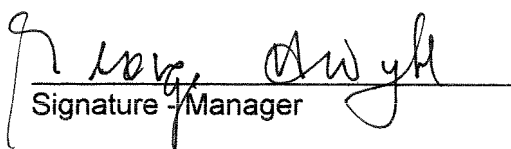
Site foundation conditions and operating practices were satisfactory.

South East Sediment Pond

The pond water level was very low. Downstream face reconstruction was satisfactory.


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

Date: June 11, 1998


Signature - Manager

Date: June 25, 1998

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

cc: D. Morgan, MEM (Prince George)

GH/ss