

June 26, 2003

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File: 14745-40/MTPO/01

MP00130

Mr. Greg Smyth
Environmental Coordinator
Mount Polley Mining Corporation
PO Box 12
Likely, BC V0L 1N0

Dear Mr. Smyth:

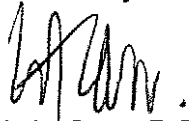
Thank you for submitting a copy of the report "Tailings Storage Facility, Report on 2002 Annual Inspection" dated April 30, 2003, prepared by Knight Piesold Ltd. The report satisfies Section 9.3.2 of the Health, Safety and Reclamation Code for Mines in British Columbia.

The water balance data indicates a projected temporary freeboard reduction to 0.9 m during the 2003 freshet period and a more significant reduction of available flood storage and freeboard in 2004. Please provide details of the plan to remove water prior to the 2004 freshet .

Please contact me to discuss the slope inclinometer displacement data and survey monument data presented in Appendix D.

The report indicates that an Emergency Preparedness Plan is to be issued as part of a revised Operation, Maintenance and Surveillance Manual at the end of May 2003. I look forward to receiving a copy of the revised OMS manual. I also note that a formal dam safety review of the tailings storage facility is scheduled for 2006. The dam safety review shall be undertaken by a qualified person who has not been involved in the design, construction or inspection of the dam.

Yours very truly,



Chris Carr, P.Eng.
Manager, Geotechnical Engineering

Cc: Ed Pittman, Inspector of Mines, MEM, Prince George