Province of British Columbia
Ministry of Employment and Investment
Mineral Resources Division
Report of Inspector of Mines
(Issued pursuant to Section 15 of the Mines Act)

Geotechnical Inspection Report

NAME OF MINE: Mt. Polley
OWNER OR OPERATOR: Imperial Metals Corp.
MANAGER: George Wight

LOCALLY: Suite 700, 815 W. Hastings Street
ADDRESS: Vancouver, B. C. V6C 1B4

PERSONS CONTACTED
MANAGEMENT: N/A
OHS COMMITTEE: N/A
WORKERS: N/A

A copy has been forwarded to the Joint Occupational Health and Safety Committee and the union. The mine manager shall complete the right hand column noting specific corrective actions taken, or to be taken by a specified date, and return a copy to the Inspector within 15 days of receiving the report. Further, the manager shall post a copy to the bulletin board, to be replaced by a copy showing the manager's response.

In this document, Code means Health, Safety and Reclamation Code for Mines in British Columbia.

<table>
<thead>
<tr>
<th>INSPECTION REPORT</th>
<th>MANAGER'S RESPONSE OF ACTION TAKEN</th>
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<tbody>
<tr>
<td>The following were present during the inspection: K. Embree, and B. Borntraeger.</td>
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<tr>
<td>Tailings Facility</td>
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<td>Visit included a detailed tailings facility site inspection and review meeting. The following work had been completed or was in progress:</td>
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<td>• Embankment fill was placed to approximately elevation 917 metres but is well behind schedule. Excavation of fill for the longitudinal and cross drain installation was being prepared.</td>
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<td>• Lower basin liner had been completed. Test pitting and design of extent of the upper basin liner was complete.</td>
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</tbody>
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Copies To: B. McBride, E. Beswick, E. Pitman

George S. Headley, P. Eng.
Senior Geotechnical Engineer
4th Floor, 1810 Blanshard Street, Victoria, B.C. V8V 1X4

Signature - Inspector

D. Parsons
Signature - Manager

Date of Inspection: September 27-28, 1996
Dated: October 31, 1996
Lower basin liner had been completed. Test pitting and design of extent of the upper basin liner was complete.

- Reclaim barge channel was mapped. Soil liner was determined by consultant to not be necessary.
- Foundation drains had been largely completed and toe drains were started.
- Additional embankment piezometers were installed.
- Collection sump was largely complete.
- Perimeter embankment areas have been grubbed.
- Tailings line and reclaim water line were being installed.

Design, site investigations at this stage, construction quality, and geotechnical engineering are satisfactory.

<table>
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<th>Initials:</th>
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<tbody>
<tr>
<td></td>
<td>Inspector</td>
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