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July 15, 1996

Mr. Rick Cassidy,
President, CAW Local 2304,
Box 1628
Yellowknife, NWT,
X1A 2P2
CANADA

FAX # 403 873-5174

Dear Mr. Cassidy:

Re: Stakeholder Comment on the Proposed "Gold Roaster Discharge Control Regulations" under the N.W.T. Environmental Protection Act

Please find attached a copy of a submission made by Royal Oak Mines to the NWT Department of Renewable Resources in response to the proposed "Gold Roaster Discharge Control Regulations" issued earlier this summer by the NWT Department of Renewable Resources for public comment.

The proposed regulation will have a significant impact on the future viability of the Giant Mine. In reality the proposed regulation has the net effect of establishing June 30, 2006 as the probable date for closure of the Giant mine.

The proposed regulation stipulates that emissions of sulphur dioxide from the Giant mine must be reduced by 90% on or before June 30, 2006. This level of reduction cannot be achieved using the existing roaster and gas cleaning plant. To remain in compliance with the law, Royal Oak would be forced to shut down its concentrate roasting facilities under this regulation.

Suitable replacement equipment would cost in the order of \$50 to \$60 million dollars. The remaining economic ore reserve at the Giant Mine will not sustain this level of capital expenditure. In essence complying with the regulation would render the mine uneconomic.


Concurrent with this initiative, the federal Department of Environment is considering new regulations that would require arsenic emissions from the Giant roasting plant to be reduced. The combined impact of the Territorial and Federal initiatives in this area may have the impact of further shortening the expected mine life.



As an issue that potentially has a direct adverse impact on the future viability of the Giant mine it is important that CAW local 2304 be fully informed on this government initiative. If you feel it would be appropriate we would be pleased to meet further with representatives of your local to discuss this matter further. Please let me know through John Stard.

I have attached copies of the letters that Royal Oak has sent on this subject to the Premier of the N.W.T., the Mayor and City Council of Yellowknife, the MLA's representing Yellowknife on the legislative assembly and the local news media.

Sincerely,
Royal Oak Mines Inc.

A handwritten signature in black ink, appearing to read "Larry Connell". The signature is written in a cursive, flowing style with a large initial "L".

Larry Connell
Manager of Environmental Services

cc: John Stard

