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July 15, 1996

Mr. Don Morin,
Premier of the N.W.T.
Government of the Northwest Territories
Box 1320
Yellowknife, NWT,
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CANADA

FAX # 403 873-0169

Dear Sir:

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 Royal Oak's submission in response to the "Gold Roaster Discharge Control Regulations" issued by the NWT Department of Renewable Resources for public comment. The 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. 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.



Royal Oak, as a law abiding corporate citizen, will make future business decisions on the economic viability of the Giant Mine in accordance with the legislation passed by the NWT and Federal Governments. We only ask that government consider all of the socio-economic benefits and tradeoffs from the imposition of these new regulations in making its decision.

If you feel it would be appropriate, we would be pleased to meet with representatives of the NWT Government at a mutually agreeable time to discuss these concerns further.

Sincerely,
Royal Oak Mines Inc.



Larry Connett
Manager of Environmental Services

