



**Royal Oak  
Mines Inc.**

NWT Division  
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February 22, 1999

Mr. Emery Paquin, Director  
Environmental Protection Services  
Resources, Wildlife & Economic Development  
Government of the NWT  
600-5102, 50th Avenue  
Yellowknife, N.T.  
X1A 3S8

Dear Mr. Paquin,

***Re: Giant Mine - Installation of the Sulphur Dioxide  
Continuous Emissions Monitoring System (CEMS)***

At our last meeting, on November 27, 1998, we discussed the status of the installation of our SO<sub>2</sub> emissions monitoring system. The remaining expenditures included a datalogging system, commissioning assistance from Rosemount Instruments and certification testing of the system. It was understood that, if Royal Oak Mines had the system fully operational before the end of March (1999), RWED would be able to provide financial assistance to conduct the certification testing.

We have been investigating options for datalogging systems and now believe we can purchase a relatively simple datalogger for less than \$2,000. However, in order to commission the system and provide the training required to ensure consistent operation of the system, significant further expenses and commitment of resources remain.

As you are aware, Royal Oak Mines is currently hampered by a severe cash flow crisis and is attempting to restructure its existing debt agreements to achieve greater financial flexibility in the future. Because of this, the expenditures required to commission the CEMS can not be made at this time and we will not be in a position to conduct certification testing of the system before the end of March.

Royal Oak Mines remains committed to commissioning and consistent operation of the CEMS, as soon as our available resources will allow. We will continue to keep you fully informed of our progress in this regard.



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Please contact myself, or Mr. Stephen Schultz (Environmental Superintendent), at (867) 669-3700, if you would like further information on this project.

Yours sincerely.

Royal Oak Mines Inc.

John Stard  
Mine Manager  
NWT Division

cc: Stephen Schultz  
Larry Connell