



August 8, 1996

Mr. Brian Penney, P. Eng.
Superintendent, Environmental Services
Royal Oak Mines Inc.
N.W.T. Division
P.O. Bag 3000
YELLOWKNIFE, NT X1A 2M2

Dear Mr. Penney:

**RE: GIANT MINE - UNDERGROUND STORAGE OF ARSENIC BEARING
MATERIALS, 1995 PROGRESS REPORT**

The Northwest Territories Water Board has completed its review of the aforementioned document that accompanied the 1995 Annual Report dated March 28, 1996. Most of the concerns generated during the review were previously noted by the Board in a letter dated May 2, 1995 regarding the 1994 progress report.

As a reminder, please ensure that the following items are addressed:

1. Thermistors should be installed in all the storage vaults;
2. Groundwater and permafrost monitoring and assessment;
3. Sufficient data base and analysis that are scientifically defensible;
4. Study reference lists;
5. Risk assessment; and
6. Considerations to alternative technologies.

Notwithstanding these concerns the Board is encouraged by recent developments as a result of a TAC meeting held on June 19, 1996. Based on information provided to TAC, the Board is reassured that Royal Oak Mines is committed to the schedule outlined in the approval Terms of Reference and that the final report will be submitted on time in accordance to the water licence.

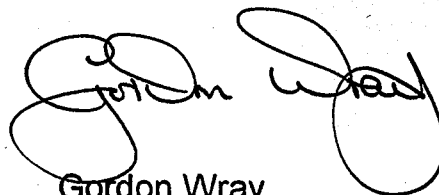
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This final report will assist stakeholders in the determination of the final abandonment and restoration of the underground storage of arsenic materials. As agreed during the TAC meeting, a follow-up meeting will be scheduled later in 1996 to obtain Royal Oak's current progress.

In accordance with Part B, Item 3.1 of the Licence, please ensure that annual updates to this report are provided in subsequent annual reports.

Please do not hesitate to contact this office if you have any questions or require assistance. If your inquiry is technical in nature please contact Mr. David Jessiman at (403) 669-2660 or Mr. Brian Collins at (403) 669-2657.

Sincerely,

A handwritten signature in black ink, appearing to read "Gordon Wray", with a large, stylized loop at the end.

Gordon Wray
Chairman
N.W.T. Water Board