

ECHO BAY MINES LTD

Lupin Operations
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July 25, 2001

Nunavut Water Board
P.O. Box 119
Gjoa Haven, NT
X0E 1J0

Attention: Philippe di Pizzo
Executive Director

Dear Sir:

RE: **Echo Bay Mines Ltd., Lupin Operations**
Water Licence Number NWB1LUP0008
Amendment Application – Participation of Brodie Consulting Ltd.

Dear Mr. di Pizzo

Further to your July 12, 2001 letter, Echo Bay Mines Ltd. ("EBM") would like to officially challenge the participation of John Brodie (Brodie Consulting Ltd.) in the upcoming hearing regarding the ultimate reclamation cost for the Lupin operation. As stated in our July 17, 2001 letter to you, EBM remains of the view that "there exists an apprehension of bias because Mr. Brodie does reclamation contract administration work and also consults for the Department of Indian and Northern Affairs. It is inappropriate for Mr. Brodie to act as the NWB's independent expert on the magnitude and cost of the reclamation project when he is likely to oversee that same reclamation project for which he will be remunerated." The future operation of the Lupin mine depends largely on the decision that will be rendered by the NWB in respect to this hearing application. EBM can not afford to have any such apprehension of bias be part of such a decision. For us, the stakes are simply too high. By avoiding visiting our mine site for more than a cursory 2-3 hour stopover, or contacting any of our technical experts for information, he has shown his continued unwillingness to understand the scope of this exercise. This type of review of our proposed reclamation plans, for which our ultimate reclamation security will be based upon, is unacceptable to EBM.

If the NWB decides to select an alternate independent expert, EBM feels it is necessary for such expert to spend considerable time with the three contractors (Nuna Logistics Limited, Clarke Builders and EBA Engineering Consultants) who have provided the most recent cost estimate for the Lupin mine site reclamation. These contractors have been selected by EBM because of their extensive experience working in the north, including work at the Lupin operation. Nuna Logistics is a Kitikmeot majority-owned company

that has done approximately \$200 million worth of work in the north over the last four years, including major earthwork projects within the tailings containment area at Lupin. Nuna knows what it costs to do work at the Lupin operation because they have done it. Clark Builders was involved with the original construction of the Lupin plant and facilities. Clarke therefore has a good working knowledge of what it will cost to disassemble the same structures they erected. EBA has also been involved with the design and construction of the Lupin tailings containment facility. They are industry experts in the field of geotechnical and environmental consulting, including the prevention of acid rock drainage.

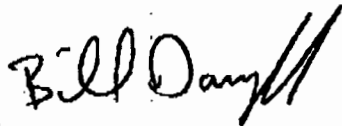
EBM also believes it is necessary that the NWB's independent expert spend considerable time at the Lupin mine site, actually getting a first hand look at what reclamation has already been done and the extent of the work that will be required at ultimate closure. The progressive reclamation completed to date is impressive and shows the quality of workmanship and importance EBM places on reclamation activities. The Lupin operation also supports ongoing research programs that will help us determine acceptable methods to control ARD potential from the tailings containment area.

I would be more than happy to arrange for such a site visit and meetings with our technical experts, for whomever the NWB selects as their own independent technical expert.

In light of the recent postponement of the August 9, 2001 hearing pertaining to these matters, EBM respectfully submits to the NWB that they request DIAND to await completion of this hearing process prior to continuing negotiations with EBM regarding the schedule of payment for the required security.

If you have any questions, comments or require additional information, please contact me at your earliest convenience at (780) 890-8777.

Yours truly,



Bill Danyluk
General Manager, Lupin Operations

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