ECHO BAY MINES

Lupin Operation 9818 International Airport Edmonton, AB T5J 2T2

Tel: (780) 890-7000 Fax: (780) 890-8814

July 16, 2001

Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Attn: Mr. Philippe di Pizzo

Executive Director

Re: Amendment to Security Deposit for Licence for Lupin

Dear Mr. di Pizzo:

In Bill Danyluk's letter to you, dated May 16, 2001, requesting an amendment to the security deposit required for Lupin, Mr. Danyluk referred to a research program being developed in affiliation with the University of Alberta to look at alternate reclamation options for Lupin's tailings (page 4, last paragraph).

Attached is a proposal title *Proposal to Study Alternate Approaches to Cover Lupin Mine Tailings*, which was recently submitted by David Sego and Kevin Biggar of the University of Alberta. Echo Bay Mines has asked Dr. Sego to discuss his proposal at the upcoming public hearing in Kugluktuk on August 9, 2001.

Sincerely,

Original signed by

Hugh Ducasse Manager, Loss Control & Environmental Affairs

cc: Bill Danyluk