

June 21, 2005

Mr David Brown, Chairman
Ontario Securities Commission
20 Queen Street West, Suite 1903
Toronto, ON M5H 3S8

Subject: *Financial Post*, June 21, 2005

Dear Mr Brown,

It is fitting that the Ontario Securities Commission remains, "*the only regulator in the world that's continued to pursue Bre-X*". After all, long before Bre-X turned out to be a salting fraud I brought to the OSC's attention that geostatistics is a scientific fraud. Indeed it was geostatistical software that converted Bre-X's bogus grades and Busang's barren rock so effortlessly and smoothly into the largest phantom gold deposit the world has never seen. I applied analysis of variance to unravel the salting scam and reported my findings to Barrick Gold several months before Bre-X's brass was honored for discovering its Busang gold prospect and before Bre-X's boss salter vanished.

Long before Bre-X was listed on the Toronto Stock Exchange, analysis of variance could have proved beyond reasonable doubt that a salting scam was in progress at the Busang property on the basis of Bre-X's bogus gold assays for 3-5 boreholes, and for 30-50 duplicate crushed and salted core samples.

What I wrote to the OSC and when is posted on my website. What a disgrace that professional incompetence is not an indictable offence.

Yours truly,

J W Merks
President