



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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April 17, 2006

Mr. J.W. Merks  
President  
Matrix Consultants Limited  
1357 Napier Place  
Coquitlam, B.C.  
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Dear Mr. Merks

Your letter was forwarded to me by Mr. David Wilson, Chair of the Ontario Securities Commission.

Thank you for meeting with Dr. Greg Gosson, Chief Mining Adviser, British Columbia Securities Commission and me on January 22, 2006, to discuss the use of geostatistics in mineral resource and mineral reserve estimates by mining companies. I appreciated receiving copies of the books you authored on Metrology in Mining and Metallurgy and Sampling and Weighing of Bulk Solids. They provided most interesting reading on the flight back to Toronto.

As we have discussed, Canadian mining disclosure rules require that all scientific and technical information on a material project be prepared by a qualified person. The qualified person must comply with the professional standards of competence and ethics mandated by their professional association. The qualified person should also follow industry best practices. For example, when estimating mineral resources and mineral reserves, the Canadian Institute of Mining, Metallurgy and Petroleum Best Practice Guidelines adopted by CIM on November 23, 2005 should be followed.

Our role as a regulator is to review companies for their compliance with securities legislation.

As I mentioned in my letter dated December 12, 2005, we would appreciate being apprised of your progress on the development of industry best practices in the application of mathematical statistics to assess the reliability of data. We will certainly consider your views in the context of our regulation of mining issuers.

Sincerely,

Deborah McCombe  
Chief Mining Consultant  
Corporate Finance, Director's Office

cc: David Wilson, Chair