

**Misty Mountain Gold Limited**

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April 10, 1997

Mr. Paul Wojdak  
Regional Geologist  
Ministry of Employment and Investment  
Energy and Minerals Division  
Bag 5000, Smithers, B.C.  
VOJ 2N0

**Re: Correspondence of February 26, 1997 concerning the Harmony article in Northwest Region Mine and Exploration Review 1996.**

Dear Mr. Wojdak,

Based on your letter of February 26, and subsequent conversations with geological staff at Misty Mountain Gold Ltd., it has come to my attention that a misunderstanding has developed concerning your review of the Harmony Project in the Northwest Region *Mine and Exploration Review 1996*. I'm writing today in my capacity as Director of Environmental Affairs to clarify the company's concern in this matter, and to alleviate any future misunderstandings.

On the first point, our primary concern about the article relates to the identification of mercury content in the Harmony deposit at 6 ppm. As indicated in your letter, this is an "unsubstantiated number," that Misty Mountain Gold Ltd. has not published or otherwise made public because its accuracy has yet to be scientifically verified. Until a comprehensive assessment of all drill core data is completed and a preliminary mine development plan is prepared, it is not possible to provide definitive information on the subject of mercury and the environment.

As I understand it, you were party to a conversation at the Harmony site during which the 6 ppm figure was raised as part of a broader discussion about the nature of the epithermal deposit. Although I believe such uncorroborated data should be verified prior to publication, I am sympathetic to the budget and time constraints affecting your editing and fact-checking processes. Given the opportunity to comment on your draft, we would likely have requested -- at a minimum -- that the 6 ppm figure be represented as a 'preliminary and unsubstantiated assessment.'

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More importantly, however, I feel compelled to clear up what I believe to be a misunderstanding on your part concerning Misty Mountain Gold Ltd.'s motivation for raising this issue. Rather than trying to "suppress information," as indicated in your letter, our response was borne of a corporate policy to ensure that all publicly communicated information about our project is accurate and defensible. Far from taking a "head-in-the-sand attitude about environmental...issues related to mine development," we pride ourselves on an open and honest approach to consultation and information-exchange with all stakeholder groups.

As a member of the Hunter Dickinson group, we stand by its progressive reputation for developing environmentally and socially responsible mining projects in British Columbia, and view suggestions that we may be trying to suppress information in the most serious light.

In terms of ongoing work at Harmony, you should know that our current schedule is focused on confirming and delineating the gold resource. Environmental issues related to mine development will be addressed in greater detail as we proceed toward the feasibility study level. A more defensible geochemical analysis for mercury, utilizing Cold Vapour Atomic Absorption Spectroscopy, will be undertaken as part of these environmental inquiries; the results of which we would be pleased to share with yourself and other interested parties as they become available.

Yours truly,

**MISTY MOUNTAIN GOLD LIMITED**



Bruce W. Jenkins  
Director of Environmental Affairs

cc: Fred Hermann (Director, ROHS)  
Ron Smyth (Chief Geologist, GSB)  
Wallace Bergen (Regional Manager, ROHS)  
Tom Schroter (Senior Regional Geologist, GSB)  
Bob Dickinson (President and Chief Financial Officer, Misty Mountain Gold Ltd.)

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**MISTY MOUNTAIN GOLD LIMITED**  
**DIAMOND DRILL HOLE RESULTS**  
**HARMONY GOLD PROJECT - SPECOGNA DEPOSIT**  
**SEPTEMBER 1996**

Hole No.	From (metres)	To (metres)	Interval		Gold Grade		
			(metres)	(feet)	(oz/ton)	(g/tonne)	
95-050		47.48	58.48	11.00	36.06	0.116	3.97
		244.48	326.00	81.52	267.22	0.126	4.31
	incl.	312.00	326.00	14.00	45.89	0.195	6.70
95-051		45.40	212.00	166.60	546.11	0.092	3.14
	incl.	45.40	83.40	38.00	124.56	0.113	3.88
95-052		39.94	50.00	10.06	32.98	0.091	3.14
		104.18	178.08	73.90	242.24	0.101	3.48
	incl.	104.18	114.18	10.00	32.78	0.178	6.10
96-053		8.00	70.00	62.00	203.24	0.071	2.43
	incl.	57.60	70.00	12.40	40.65	0.126	4.32
96-054		4.00	136.00	132.00	432.70	0.068	2.34
	incl.	79.25	83.81	4.56	14.95	0.132	4.53
96-055		9.14	250.55	241.41	791.34	0.044	1.51
	incl.	71.10	75.00	3.90	12.78	0.122	4.18
	incl.	162.00	194.00	32.00	104.90	0.057	1.95
96-056		44.00	60.00	16.00	52.45	0.060	2.06
96-057		11.28	24.00	12.72	41.70	0.079	2.70
		194.10	196.29	2.19	7.18	0.335	11.50
96-058		22.00	65.00	43.00	140.95	0.065	2.22
96-059		16.33	58.00	41.67	136.59	0.052	1.79
96-060		42.87	178.00	135.13	442.96	0.062	2.14
	incl.	106.00	138.80	32.80	107.52	0.102	3.51
96-061		18.00	27.77	9.77	32.03	0.095	3.25
		206.00	226.00	20.00	65.56	0.154	5.28
96-062		48.95	110.00	61.05	200.12	0.047	1.60
96-063		42.00	108.00	66.00	216.35	0.071	2.42
	incl.	94.00	106.92	12.92	42.35	0.128	4.39
96-064		14.33	218.85	204.52	670.42	0.052	1.78
	incl.	160.00	199.75	39.75	130.30	0.110	3.78
96-065		19.12	81.38	62.26	204.09	0.051	1.73
96-066		17.95	127.04	109.09	357.60	0.058	2.00
	incl.	17.95	34.00	16.05	52.61	0.105	3.59
96-067		21.34	47.48	26.14	85.69	0.064	2.21
96-068		41.95	164.41	122.46	401.42	0.060	2.06
96-069		55.44	108.00	52.56	172.29	0.053	1.81
96-070		34.94	142.00	107.06	350.94	0.051	1.74