

June 1, 2005

Mr. Al Cox
Grants Site Manager
Homestake/Barrick Gold Corp.
P. O. Box 98
Grants, NM 87020

Dear Mr. Cox,

We appreciate your willingness to meet with our community and to attempt to clarify our position in your summary of that meeting in your recent correspondence. Rather than respond to your points, we thought it would be simpler to outline what we consider acceptable solutions. They are as follows:

1. Drill each current landowner a well into the San Andres aquifer to enable us to return to watering gardens and livestock; provide a filtration system so that this water could be used for drinking; AND move the tailings to a lined site with no potential for future contamination. We would only accept this option if we were assured existing injection wells are not contaminating the San Andres and that there is no threat of such contamination until the tailings are removed.
2. Buy our properties at the price for which they would have been valued if the contamination had not occurred.

At a recent association meeting, we discussed the third option, which was to relocate the entire community, and decided it was not viable. There are no parcels large enough with similar water rights and soil conditions. Replacing homes and mature landscaping would be prohibitive. It was agreed that as attractive as this solution might seem, it was not possible in the Grants-Milan area.

We believe the first option is in the best interests of the surrounding community and has the best chance of protecting Milan residents' water supply from future contamination. We also prefer option 1 because it allows us to remain with our friends and neighbors and resume the lives we expected to live when we moved to this community. Many in our community are of an age that they would have a difficult time starting over elsewhere.

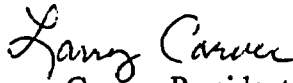
Although we have been told option 1 is too expensive, we maintain there are parties other than Homestake, including state and federal agencies, that have contributed to this situation and could be expected to help provide a solution.

We would like to convene a meeting in July with decision-makers from Homestake, EPA, NRC, and NMED as well as our elected officials to discuss our situation. We will be

sending copies of this letter to each and will look forward to replies suggesting dates for that meeting. Please know that we will not be willing to meet unless our elected officials are able to attend.

We are also enclosing our response to proposed background levels for groundwater remediation at the site. Homestake and the government agencies are using what we realize are sophisticated calculations and we understand many people have worked very hard to produce those calculations, but they are based on previously contaminated samples. In essence, you are suggesting that we were drinking polluted water before Homestake began their milling operations and so you will try to return our groundwater to those polluted levels. Your evidence for that claim is flawed. While we may understand Homestake proposing such unacceptable levels in order to save Barrick Gold from even more expense, we are hoping the state and federal agencies will act to protect our health and will reject Homestake's proposal and revise their own calculations based on the evidence we have provided. We are quite sure those making these unfair proposals would not be willing to let their families use water at the levels suggested and neither are we.

Sincerely,



Larry Carver, President
Murray Acres Community Association
Member signatures attached
P.O. Box 2970
Milan, NM 87021
Enclosures

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