

Alberta Wilderness Association
Box 6398, Station D,
Calgary, AB T2P 2E1
Via email: bverbeek@abwild.ca

3rd November 2014

Dear Ms Verbeek,

Riversdale would like to thank the Alberta Wilderness Association (AWA) for your letter dated 31 October 2014 and your concern regarding our exploration activities on the Grassy Mountain Project and the Alberta environment in general, particularly in the Crowsnest Pass region. We can assure you that Riversdale is very aware of the potential impact of its activities on the environment and as a result, always strives to act in an environmentally appropriate manner and within the guidelines as outlined by the Provincial Government of Alberta and Federal Government of Canada. We appreciate your concerns as outlined in your letter and trust that we are able to provide you with some further information in respect of the event and your questions below.

As the AWA indicated, while drilling a recent hole on the project, excess ground water was encountered which led to the situation you referred to in your letter. We can confirm that we were aware of the event immediately and took action to monitor the situation and manage any potential impact. The excess fluid occurred as a result of this drill site intersecting an unusual amount of ground water that was higher than anticipated based on our completed drilling programs elsewhere on the project. At all of our bore hole sites, including this one, we have a waste pit for the cuttings and fluid control although in this particular case given the higher than anticipated amount of water from the hole, the pit was not sufficiently large. While clearly the majority of this is ground water encountered down the hole, I can also confirm that no other fluids other than water were used in the drilling process.

I have also included one of our own photos (refer below), taken closer to the site than the one you provided which shows that the excess water was in fact running down the side of the old waste spoil that has existed on Grassy Mountain since activities undertaken by previous miners in the 1950's. Furthermore, I can confirm that the excess water was monitored daily by Riversdale to ensure it remained on the historical dump and did not enter any water ways or vegetated/timbered areas. In effect, we used the historical waste material to assist the filtration and stop any excess fluid. In addition, if required to assist with further containment, Riversdale had both hay bales and silt fencing on site to ensure the water did not leave the historical waste material area and enter Gold Creek, any connecting surface water bodies or vegetated areas. These were not required to be used. The closest surface water body connecting with Gold Creek to this drill location is approximately 500m to the south and was not impacted. Gold Creek itself is further than 1.0 kilometer east of this site.

I am confident in saying that Riversdale takes its environmental responsibility seriously throughout all stages of exploration. To assist us in this regard, we have engaged the services of a number of leading environmental consultancy groups who are very familiar with the Crowsnest Pass region to assist us. Together, we have been collecting baseline data in respect of a number of areas including

water, noise, flora, fauna, dust, historical resources etc since May 2013 to ensure we get a thorough and accurate understanding of the local environment. In fact, Riversdale takes its environmental responsibility very seriously to the extent that we commenced the process of collecting baseline data under agreements with the prior owners of the project, even prior to Riversdale acquiring the Grassy Mountain Property in August 2013.

For the sake of clarity in respect of water as is the focus of the AWA letter, the monitoring Riversdale has conducted includes water sampling of a number of water bodies across the project area including Gold Creek, Blairmore Creek and the water bodies that connect with them. In addition, we have been taking base line data in respect of selenium and other heavy metals in respect of the old historical dump sites and also the core from completed drill holes so we can determine any potential future incremental impact Riversdale and its activities may have. All of these samples have been sent to reputable laboratories in Calgary for analysis. The findings of all of these studies will be incorporated into the engineering design for the project, should it proceed to a stage of permit submission with regulatory authorities for development approval.

Lastly, as confirmed through our continual engagement with community members and stakeholders, we are very much aware of how important Gold Creek is to the region and are designing all of our future plans to ensure impacts to it are kept to an absolute minimum.

I would like to once again thank you and the AWA for your letter and concern and trust that we have provided you with sufficient information into the event and our approach in managing it to ensure minimal potential impact on the surrounding environment. While we understand the need to document these concerns, in addition to that I am personally open to discussing these concerns with the AWA over the phone or in person.

Should you have any further questions or concerns, please feel free to contact me on +1 403 753 5160.

Sincerely,



Steve Mallyon
Director
Benga Mining Limited

cc:

Bill Werry, Deputy Minister Environment and Sustainable Resource Development

bill.werry@gov.ab.ca

Grant Sprague, Deputy Minister of Energy

grant.sprague@gov.ab.ca

Figure: Excess water running down the old spoils which were used to assist in containment and filtration.

