

From: Lorang, Mike (LNA)
Sent: Wednesday, February 25, 2004 8:40 PM
To: Harris, Dan (LNA); Cutler, Kent (LNA)
CC: Gauntt Jerry (LNA); Godla, Jon (LNA); Zazenski, Rich (LNA); Crouse, David (LNA); Pier, Julie (LNA)
Subject: J&J news report

Importance: High

PLEASE KEEP THIS INFORMATION CONFIDENTIAL.

Gentlemen,

Rich Zazenski was contacted by Bill Ashton of J&J (retired) to say that a radio or TV program in Sacramento, California reported that Forensic Analytical had analyzed baby powder and found asbestos. He later called and said it was 0.2% Anthophyllite. He called a third time to say that he has a copy of the TEM report, but cannot fax it since his phone lines are down. Rich will get a copy when it is available.

Michael Wolf of J&J called Rich and was concerned that he could not find Randy's files of our test results.

Rich contacted me, I informed Julie Pier, Jon Godla, David Crouse and Jerry Gauntt.

We are currently backlogged on TEM results. Julie has 3rd quarter composite results, and is working on others. She should have 2003 complete tomorrow. We have never seen anything, and with other pressing projects, this has fallen in arrears.

Items in question:

- Whether the test method was legitimate. (Julie and David say that Anthophyllite is the most closely related asbestoform mineral to talc and can be confused.)
- Whether they tested J&J material or something else. (Jerry says that several tons per month of Baby Powder from India is imported into the west coast.)

I spoke with Michael Wolf of J&J. He is not panicking, but since he could not find their results, he was concerned. Randy is traveling and Michael is trying to make sure he has all his ducks in a row.

We are confident that the Argonaut product is clean. We have no past or present evidence of Anthophyllite or other Asbestiform minerals in that orebody.

Michael J. Lorang
Director of Quality
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