

Ms. Patricia Feeney  
Rights & Accountability in Development  
38 Norham Road  
Oxford  
OX2 6SQ

Tuesday April 17, 2007

Email: [tricia.feeney@raid-uk.org](mailto:tricia.feeney@raid-uk.org)

Sent via email and fax

Dear Ms. Feeney,

We acknowledge your letter dated April 5, 2007 and your report regarding mining contracts in the DRC. We concur with your statement concerning the importance of making information available in the public domain. Since publishing the Kamoto Feasibility Study, we have done so through regular updates on all facets of the Kamoto Project.

The technical and financial models used to support decisions concerning reconstruction and rehabilitation of the project were developed with the assistance of a leading international mineral engineering firm, and involved dozens of engineers and mineral economists.

The base case metal prices used in these models have been accepted by multiple independent project financing experts including banks, export credit agencies and development finance institutions. We are unaware of any reputable mining industry analyst or lending institution that will support the long-term metal prices used by your consultant.

We also do not believe any mining company would accept a 12-15% IRR for a large mining investment in the DRC because of the country risk and the lack of critical infrastructure. It is only after we have completed our investment of approximately US\$427 million that the plants and equipment leased to the Joint Venture by Gécamines will have any commercial value of consequence.

The Kamoto Agreements were negotiated in an open business setting over a time span of almost a year by dozens of seasoned professionals from both Gécamines and the Government. The Government approval process then took an additional 15 months involving various Ministries, ECOFIN and the ultimate approval of the Council of Ministers. The Agreements were

negotiated in the context of the 2002 Mining Code which provides for transparent tax and royalty payments in line with those of other major mining jurisdictions. Rising metal prices will see these payments to the DRC increase accordingly.

On August 1, 2006, we wrote to you offering to meet to further discuss our activities, but did not receive a response. In keeping with our views on openness and transparency, we encourage you to follow our progress via the regular updates published on our website.

Sincerely,

A handwritten signature in black ink, appearing to read 'Allan Schoening', with a stylized flourish at the end.

Allan Schoening  
Senior Vice President, Corporate Affairs