

Republic of the Philippines

Department of Environment and Natural Resources

MINES AND GEOSCIENCES BUREAU

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July 19, 2011

Mr. Carlito A. Auza Senior Geologist Ivanhoe Philippines, Inc. 7/F Builders Centre Bldg. 170 Salcedo St., Legaspi Village Makati City

Dear Mr. Auza:

This Office is furnishing you a copy of the Letter dated 28 March 2011, Subject: Ivanhoe Philippines, Inc. Destructive Actuations, including the pertinent documents attached, of Mr. Muhammad Jamil Gamutan, al Hadj, President of Jabal Development Mining Inc.

In his Letter, Mr. Gamutan claims that Mr. Leo S. Deiparine and Mr. Carlito A. Auza, Country Manager and Senior Geologist, respectively, of Ivanhoe Philippines, Inc. (IPI) had allegedly committed acts amounting to "attempted tampering" of laboratory analytical or assay results. Please note in particular his conclusion that "Mr. LS Deiparine acted unbecoming of a professional, unethical behavioural conduct contrary to universal morals and values, corporate code of ethics of Ivanhoe Mines, and governing standards of the Philippine Professional Regulatory Commission."

In this regard and in accordance with due process and the principle of transparency in all official dealings, please submit to this Office, within fifteen (15) days from receipt hereof, your comments on the said Letter, copy-furnished Mr. Gamutan.

Thank you.

Very truly yours,

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LEO L. JASARENO

Acting Director

: Mr. Muhammad Jamil Gamutan, al Hadj President Jabal Development Mining Inc.

7 Santos Street Cotabato City 9600

"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE."

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