

**RAID**  
*Rights & Accountability in Development*

14 March 2006

VIA FACSIMILE: 416.360.8877

Mr. W. J. Burden  
Cassels Brock  
21 Scotia Plaza  
40 King Street West  
Toronto ON M5H 3C2

**Re: RAID's Response to Kinross Forrest Ltd's 9 March letter concerning the Kinross Forrest/Gecamines Joint Venture**

Our attention has been drawn to a letter dated 9 March 2006 written by your client, Kinross Forrest Ltd (KFL), to the DRC Government, the Foreign Ministers of the CIAT and the World Bank. Our reason for writing is two-fold: first, to correct a misrepresentation in that letter concerning the analysis by Fasken Martineau DeMoulin (in full – hereafter FMD) of the Kinross Forrest contract; and second, to respond to KFL's assertion that we are unwilling to engage in a serious dialogue.

KFL's letter of 9 March quotes a letter from FMD to RAID of 7 March 2006 in which Fasken states 'we do not agree with the contents of the letters' (i.e., the legal analysis that FMD has itself provided) and that '[t]he views expressed in the letters decidedly do not reflect the opinion of our firm.'

KFL then goes on to state:

It is clear from this communication that FMD also believes facts were distorted and disingenuous conclusions reached.

This inference is wholly inaccurate and without foundation. FMD has never at any stage expressed the view that 'facts were distorted and disingenuous conclusions reached.' The facts are these:

- RAID accepted FMD's advice in good faith, from an experienced Fasken lawyer, and relied on it when producing its own memorandum, press release and letter raising concerns about the Kinross Forrest and Global Enterprises contracts with the World Bank.
- The advice was published with FMD's express knowledge and approval.

- However, RAID has since been notified by FMD that ‘these letters were sent to you without having been approved by a partner, as they should have been.’ FMD requested that we remove these documents from our web site while clearly acknowledging that **‘this is not to be taken as any criticism or negative reflection on RAID’**.
- RAID is currently engaged in a dialogue with FMD to determine the precise reasons for the surprising course of action it has taken with regard to its own advice, and to establish how FMD proposes to remedy the situation.

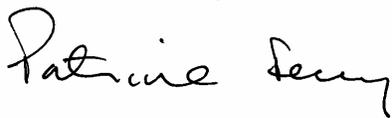
RAID’s concern is that a true picture is presented of the two contracts, detailing their costs and benefits for the people of the Democratic Republic of Congo. RAID is therefore more than willing to engage in a constructive dialogue with the companies concerned. Indeed we welcome the fact that BSG, the majority partner in the Global Enterprises Limited (GEC) Joint Venture, has offered to enter into dialogue about the concerns raised in the Memorandum.

We note that the KFL’s letter of 9 March provides subjective information concerning its contract with Gecamines. Perhaps KFL could provide RAID with a copy of its Feasibility Study so that the basis of its cash flow projections could be studied? In the interim, we would be pleased to receive a copy of the Hatch pre-feasibility study and the operating agreement.

As we stated in our letter of 27 February to the World Bank, we believe there are a number of compelling reasons for the Bank to conduct a thorough and independent analysis of all Gecamines’ contracts. One way of settling the controversy is to ensure that both the KFL and GEC contracts are among the seventy partnership agreements currently being audited by Duncan & Allen, the lawyers appointed by the World Bank to review Gecamines’ contracts.

As we have noted on our website, RAID has temporarily removed Fasken’s original analysis, but reserves the right to revert to that advice, in whole or in part, unless and until it can be demonstrated that such advice is incorrect.

Yours sincerely,



Patricia Feeny  
Executive Director  
Rights and Accountability in Development

Cc: Executive Directors, International Committee of Support for the Transition in the DRC  
Paul Wolfowitz, President, World Bank Group  
William Horton, Blake, Cassels & Graydon