



European Bank
for Reconstruction and Development

Mr. Ivan Blokov
Program Director
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Mrs Anelia Stefanova
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CEE Bankwatch

18 November 2011

Dear All,

Thank you for the letter dated 27 October 2011 and the additional questions.

We informed you in our letter dated 11 October 2011 that it was agreed with GV Gold that the Company will not proceed with development of the Chudnoye license and will divest it prior to the Bank's investment. The Bank's investment was signed on 31 August 2011. GV Gold confirmed to the Bank that CJSC Gold Minerals (holding the Chudnoye license) was divested in early August. As the Bank did not finance development of the Chudnoye deposit and no legal agreements were signed with GV Gold before 31 August 2011, we cannot advise if any works were undertaken at the deposit prior to divestment of the Chudnoye license.

The Company has updated information on their website to reflect the current list of licenses (<http://gvgold.ru/en/accounts/article.aspx?article=e0c230e5-7b53-4f58-bd7d-a1e607dd68f3>) and has confirmed once again that Chudnoye license is not owned by GV Gold. Also, starting from 8 August 2011 CJSC Gold Minerals is no longer on the list of the affiliated persons of OJSC "Vysochayshy" (http://gvgold.ru/docs/alist/alist_izmen08082011.pdf). Rosstat data may have not been updated to reflect transfer of the ownership of CJSC Gold Minerals. We understand the Company is under no legal obligation to inform Rosstat of the change.

With respect to the CJSC Gold Minerals subsidiaries, please be advised that CJSC Gold Minerals's two branches (not subsidiaries) were closed in July 2009 and October 2010 and respective notices of de-registration from Aldan and Bodaibo issued by the tax authorities.

Last but not least, please be advised that as a matter of a normal Bank practice, EBRD and GV Gold have agreed on Environmental and Social Action Plan (ESAP) that will be implemented by the Company over a number of years and closely monitored by the Bank on a regular basis. Needless to say that ESAP does not cover Chudnoye license as the latter no longer belongs to the Company. In an unlikely event that the Company re-acquires ownership of the Chudnoye license, the Bank will have the right to exit from the Company.

Yours sincerely,

Kevin Bortz,
Director, Natural Resources

CC: Mr Vassili Lelakis,
Director, European Union, EBRD