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Dear Mr. Inamdar:

While somewhat belated, I would like to offer a few comments on behalf of the Marlin Mine regarding the March 2006 "CAO Follow-up Assessment, Guatemala" without reviewing each individual point.

First, we appreciate the difficult task of the CAO's efforts beginning with the January 28, 2005 complaint penned by the MadreSelva Collective on the behalf of some Sipacapa residents. Although the CAO's process was damaged by the deliberate disclosure of a draft document later acknowledged to contain factual errors, the CAO continued to act in good faith during the review process. Significant recommendations made in the earlier CAO review have been initiated or are already well underway. One that we feel is important for both the Marlin Mine and our neighbors is that of additional research on water. We have contracted the water studies and the data collection is beginning this month. Another important activity is that an independent community-based water monitoring association has been taking on-site water samples and we have been meeting with them to discuss and analyze results.

I would like to comment on several points raised in the "Follow-up Assessment" which was primarily aimed at improving dialogue between the Company and the Municipality of Sipacapa. First and foremost, we will continue to publicly and privately "commit to non-violence and no intimidation." We will not tolerate behavior of this sort from employees and contractors or anyone else associated with the Marlin Mine. We have met with international and national NGOs supporting opposition to the mine and asked them to work with us on this issue above all else. We have adopted the Voluntary Principles on Security and Human Rights and are in the process of hiring an experienced security manager who will implement the training component critical to the Voluntary Principles. All of this is directed at taking an active role in reducing tensions and working to manage for positive outcomes in an area with a history of violence and intimidation.

Second, the report suggests that the mine "could declare a temporary, voluntary suspension of exploration activities in Sipacapa." As we have stated publicly on many occasions, we will not conduct exploration activities in areas where we do not have the consent of the local population. Sipacapa is a large municipality supporting many different views regarding mining. Some communities and landowners near Marlin have expressed support for exploration and requested the company to explore in their area. Others have not. We believe just as we will honor the views of communities that do not want exploration in their region, those communities that do should be afforded the same respect.

Third, we will continue to support "reform" of the mining law. We understand that the

High Level Commission has reached a consensus and that legislation will be introduced in Congress when they reconvene in August. It is the role of government to initiate and carry out legislation, but we will continue to support necessary changes to the mining law through appropriate channels. We have contributed to capacity building in both the Ministry of Environment and Natural Resources and the Ministry of Energy and Mining and will continue to do so.

Fourth, Glamis Gold is committed to supporting sustainable development processes in both San Miguel Ixtahuacán and Sipacapa. While we believe that mining is one possible development component in both municipalities, we clearly believe that mining alone is not sustainable development. Our work both directly through the Marlin Mine's Sustainable Development Department as well as through the Sierra Madre Foundation is clear evidence of the commitment to improving quality of life in the area.

Finally, we will initiate, pursue and listen carefully to all proposals and opportunities to improve consultation in Sipacapa and elsewhere in Department of San Marcos and Guatemala. We recognized that there are many obstacles to overcome but we are committed to have the patience, persistence and good will that will be necessary to make breakthroughs in a culture of distrust.

Again, we thank you for your exertions in investigating the initial complaint and in subsequent efforts to improving stakeholder dialogue within the context of a very complex cultural, historical and political backdrop.

Sincerely,

James S. Schenck
Manager for Sustainable Development Guatemala
Glamis Gold, Ltd.