

Attention

1. Mr. John Colin Loosemore (Managing Director)
Archipelago Resources Plc.
17 Strome Road
Applecross, Perth
West Australia 6153
Australia
2. ANZ (Australia and New Zealand Banking Group)
P.O. Box 537E
Melbourne
Victoria 3001
Australia
3. NM Rothschild & Sons
New Court, St. Swithin's Lane
London EC4P 4DU
United Kingdom
4. Société Générale
17 Cours Valmy
Paris La Defense
France
5. WestLB
Herzogstraße 15
Düsseldorf 40217
Germany

Dear Sirs,

We write to you as the CEO and investors involved with the Toka Tindung gold mining project in North Sulawesi, Indonesia. We would like to inform you of several facts that you must address in relation to your responsibilities regarding this project.

First, we'd like to notify you that the Environmental Impact Assessment of the project is still at the centre of debate and cannot be considered final. The EIA study dated 1998 has been declared to have expired by the Minister of Environment based on Indonesian environmental regulations. The Minister of Environment has recommended the company undertake a new EIA study, as well as advised it to halt operations prior to the completion of the new EIA. The company's attempt to neglect this recommendation and issue a revised, rather than new EIA has triggered massive protests by more than 3,000 residents of two regencies fearing the impact of Submarine Tailings Disposal on the environment and fishermen's livelihoods.

Secondly, we'd like to express our concern regarding a recent incident in which residents who took part in a peaceful rally against the revision of the EIA (instead demanding a new EIA) were attacked by group led by a person later known to be working with the Toka Tindung project. This has raised suspicion that the company is involved with the attack. In total 54 people were injured during the attack, while a pregnant woman suffered a miscarriage after being injured and harassed.

Investing in the project risks damaging the marine environment with mining waste and will cut off the forest of Tangkoko Dua Saudara Nature Reserve, constituting serious violations of several Indonesian laws on environment, water pollution prevention, forestry, and protection of biodiversity and natural habitats. It is not responsible investment to continue with an extractive project that threatens the livelihoods of local the community, is leading to violence and human rights violations, and risks devastation of the environment.

We demand that you, the company's CEO and investors, address this problem by using your leverage to overcome the project's possible social and ecological impacts. Considering the incomplete environmental permission (EIA) and public opposition against the project's possible ecological and social impacts we demand you to halt the project until these issues are settled.

Thank you very much for taking this matter seriously and we look forward to your responsible act addressing the issue.

Sincerely,

1. Mining Advocacy Network (JATAM)
Jl Mampang Prapatan II/30
Jakarta 12790, INDONESIA
Website: www.jatam.org
Email: campaigner@jatam.org
2. Indonesian Forum for Environment (WALHI)
Jl. Tegal Parang Utara No. 14
Jakarta 12790, INDONESIA
Website: www.walhi.or.id
Email: torry@walhi.or.id
3. Community Alliance against Mining Waste (AMMALTA)
Kelurahan Batuputih Atas Lingk.II, Kecamatan Bitung Utara, Kota Bitung
Sulawesi Utara, INDONESIA
Email : jtakaliuang@yahoo.com