

March 24, 2017

Mr. Osvaldo L. Gratacós  
Compliance Advisor Ombudsman  
International Finance Corporation  
2121 Pennsylvania Avenue, N.W.  
Washington DC 20433

**Subject: IFC Response to the CAO Second Compliance Monitoring Report of IFC's  
Investment in Minera Quellaveco S.A., Peru**

Dear Mr. Gratacós:

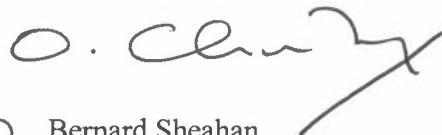
IFC would like to thank CAO for the compliance monitoring report regarding IFC's investment in Minera Quellaveco in Peru. IFC is pleased to have fully cooperated with CAO's investigation and to have responded to its investigation and subsequent monitoring reports.

IFC's equity interest in the project was divested before the original complaint was referred to IFC. Nonetheless, the Company did offer the complaining party the opportunity to take part in a government-sanctioned Round Table discussion in relation to the Quellaveco project. This Round Table was joined by several stakeholders, but the complaining party declined to participate.

With respect to certain issues raised by CAO regarding IFC's operating policies, we would like to note that IFC has implemented a new Environmental and Social Review Procedure (ESRP 13) in relation to IFC's provision of additional financing to equity investments in phased development projects. This ESRP was developed as part of IFC's ongoing and continuous improvement of its policies, procedures, and practices, drawing on lessons and inputs from a wide range of projects and stakeholders across the various industries in which we invest.

We thank again CAO for its final monitoring report and its notification that CAO is closing the investigation.

Sincerely,



7. Bernard Sheahan  
Director  
Global Infrastructure and  
Natural Resources Department