BSG Resources Limited

(“BSGR” or “the Group”)

Statement Regarding Simandou Project, Guinea

BSGR ready to use all possible legal strategies to defend its mining rights in Guinea

BSGR, an international mining company, confirms that it has made a detailed submission to the Guinean Technical Review Committee of Mining Titles and Conventions (CTRTCM), within the stipulated timeframe (December 28th, 2012), setting out conclusively its indisputable rights on Simandou Zogota and Blocks 1 and 2. It should be noted that CTRTCM has not provided BSGR with any evidence to support its false and malicious allegations against the Group, calling into question the impartiality and fairness of the review procedure. BSGR has been advised by two of the most renowned legal experts that the review process has no legal basis and is a breach of due process, but it nevertheless chose to make its submission in the interests of transparency and to protect its reputation and standing from unwarranted attacks.

BSGR will consider all available legal options against the Government of Guinea (GoG), including international arbitration, if that government pursues its illegal efforts to expropriate BSGR’s interests in Guinea.

BSGR will not be deterred by a campaign of intimidation or malicious lies. It is confident in its legal position and it is determined to see this project through to its conclusion.

Background

In December 2009, following a fast-track intensive three-year exploration programme in which BSGR invested over $165 million, the Group concluded a Basic Agreement with the Republic of Guinea which provided the framework to the development of a world-class integrated mining project at Zogota and Simandou Blocks 1 and 2. In April 2010, BSGR brought in a world-class partner to assist in bringing the assets into production and it approved a strategic sale of 51% to Vale, the world’s second largest mining company, forming a Joint Venture known as VBG.

Considerable progress has been made, notably at Zogota, before the GoG began to renege on its legal agreements. It should be noted that BSGR and its co-investor at Simandou, Vale, are committed to Guinea and have spent over $600 million on developing Simandou. BSGR has a track record of delivering real value to local communities and believes that the GoG, influenced by improper outside agencies, has delayed significantly a project which continues to offer enormous opportunity to the people of Guinea.

BSGR remains fully committed to its projects in Guinea where, along with its partner Vale, it is planning to invest $10 billion to develop a world class project which will ultimately create a low cost, high quality iron
ore producer of 50Mtpa, with potential to ramp up production to 75-90Mtpa, and create 5,000 permanent jobs and indirect employment for many more.

Despite many years of political instability, including the ongoing and unexplained delays to legislative elections, and the GoG’s refusal to cooperate with the investors smoothly and in due course, VBG has made considerable progress at Simandou Zogota and Blocks 1 and 2. Over $600 million has already been invested by VBG in Guinea and, in accordance with agreed timetables, the feasibility study for Blocks 1 and 2 was submitted in September 2011 and commercial production was due to begin at Zogota by end 2012.

BSGR intends to defend its legally acquired rights using all available means including, if necessary, taking the GoG to international arbitration. The current allegations are unfounded and the GoG is attempting to renegotiate its legal agreements and contractual obligations and has engaged in a crude smear campaign to expropriate investors with vested rights to the project. It is of concern to BSGR that this smear campaign appears to be encouraged by a number of third-party interests who are acting as advisors to the GoG.

Media Enquiries

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About BSGR

BSG is a privately owned holding company with interests across the globe in natural resources, real estate, capital markets and the diamond industry.

BSGR, BSG’s natural resources company, is an international diversified mining company with operations in fourteen countries across metals and mining operations in Africa and Eastern Europe, including ferro-nickel, diamonds, copper, iron ore and gold. The group is also active in the production/exploration of oil and gas and engineering, and in power generation in Nigeria. BSGR has a fifteen-year track record of providing risk capital for developing and executing mining operations in challenging environments. BSGR employs over eight thousand people and has created value and prosperity for its African stakeholders in South Africa, Zambia, Botswana, Tanzania, Nigeria, Sierra Leone, the Democratic Republic of the Congo, and Guinea.

In all of these countries BSGR has operated in a fully transparent manner, working hand in hand with host governments at both the national and local level. BSGR takes pride in its ability to forge strong relationships with local communities and stakeholders in areas benefiting from its operations.

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