Re: “Israeli Tycoon Pursues Soros Over Loss of African Mines”

Dear Editor:

Danny Fortson’s article “Israeli Tycoon Pursues Soros Over Loss of African Mines” (June 1, 2014) contains a number of inaccurate and misleading statements that are damaging to the interests of the government and people of Guinea.

The Editor’s Code of Practice provides:

“The Press must take care not to publish inaccurate, misleading or distorted information, including pictures.

“A significant inaccuracy, misleading statement or distortion once recognised must be corrected, promptly and with due prominence, and - where appropriate - an apology published…”

and

“A fair opportunity for reply to inaccuracies must be given when reasonably called for.”

With this in mind, demand is hereby made for the immediate correction of the following inaccuracies, in a manner no less prominent than Mr Fortson’s current article:

(1) Mr Fortson writes: “[Steinmetz] was handed the rights just months after the government expropriated licences to the entire range from Rio, the world’s second-largest miner”. In fact,

(a) Rio Tinto never lost its rights to the “entire range”, but only to roughly 50% of its license area;

(b) Rio Tinto was not “expropriated” at all. Rio Tinto was compelled to relinquish its rights in Blocks 1 & 2 of Simandou because of its failure to meet minimum investment requirements. It was permitted to retain Blocks 3 & 4. Rio Tinto has never contested this
requirements. It was permitted to retain Blocks 3 & 4. Rio Tinto has never contested this
relinquishment, and it concluded a settlement agreement with Guinea in April 2011
recognizing its validity. Mr. Fortson is therefore also incorrect when he writes, “The FTSE
100 giant paid $700m to recover half the rights”.

(2) He further writes: “In April, Alpha Conde, the president of Guinea, cancelled Steinmetz’s
rights to half of Simandou”. In fact, in April 2014, Minister of Mines Kerfalla Yansané, acting on
the basis of the findings of a three-year inquiry into allegations of corruption surrounding the
acquisition of rights in Simandou and Zogota by BSGR, as reviewed and approved by the
Government, issued orders cancelling those licenses. The licenses were held by VBG, a joint
venture between Vale and BSGR, and not by Mr Steinmetz. Tellingly, VBG has not at any point
contested the cancellations nor suggested that they were not supported by convincing evidence.
To the contrary, as reported in the press, Vale filed an arbitration claim against BSGR arguing
that the loss of the Simandou and Zogota licences occurred entirely as a result of the wrongful
conduct of BSGR.

(3) He also writes: “Last year the FBI recorded Frederic Cilins, an agent claiming to work for
Steinmetz, offering millions of dollars to the former wife of the dictator who gave BSGR the
rights if she handed over allegedly incriminating documents”. It would be more accurate to
report that:

- Frédéric Cilins was acknowledged by BSGR, in formal submissions to the Guinean
  inquiry, to have acted as its agent in acquiring the rights to Simandou and Zogota;

- Mr Cilins was charged with obstruction of justice based on his attempts to bribe Mme
  Mamadie Touré, the wife of former President Lansana Conté, to destroy evidence sought
  by criminal justice authorities and his efforts to induce her to give false evidence to the
  FBI and a federal grand jury;

- Mr Cilins pleaded guilty, was convicted, and is currently awaiting sentencing on that
  conviction;

- the U.S. Department of Justice alleged that Mr Cilins was acting on behalf of BSGR and
  was assisted by numerous other agents of BSGR in the operation, two of whom were
  present in Florida at the time; and

- Mr Cilins stated in the FBI intercepts that he was acting on the personal direction of and
  reported directly to a man identified by the United States government as “co-conspirator
  no. 1” in the criminal complaint, who has subsequently been identified as a result of the
  published transcript of the intercepts as Mr Beny Steinmetz.

(4) Mr Fortson’s reporting indicates a lack of familiarity with the contract and licence review
proceedings in Guinea, the report of the Guinean technical committee (the Comité Technique de
Revue des Titres et Conventions Miniers), and with the evidence bundle, largely derived from
materials furnished by the U.S. Department of Justice to the Government of Guinea—
notwithstanding the fact that these materials have all been published and are readily accessible to
anyone who chooses to read them. (http://www.contratsminiersguinee.org/blog/declaration-
concernant-titres-VBG.html)

(5) Finally Mr Fortson writes: “Simandou could be stuck in the courts for years... Last week
BSGR filed a case in the International Centre for Settlement of Investment Disputes (ICSID) in
Washington against the government of Guinea. Notwithstanding a highly misleading press release by BSGR on May 7, 2014, no such case had actually been filed.

(6) Mr Fortson’s entire article relates to a lawsuit that has not, as of the time of its publication, actually been filed. We question the Sunday Times’s editorial judgment in publishing such an article in circumstances in which it is unclear whether such a lawsuit will in fact ever be filed, or what it will say if it is. It leaves parties whose interests will be affected in an impossible position to comment responsibly on what is effectively no more than a journalist’s conjecture.

Neither Mr Fortson, nor any other Sunday Times journalist, has ever, in the course of extended reporting on Simandou and Guinea, attempted to contact the Government of Guinea for comment. In fact the Sunday Times’s reporting has consistently borne a striking similarity to the press releases and briefings prepared by BSGR, while the details of the corruption probe into how BSGR secured Simandou, the criminal inquiries and prosecutions in the United States, Switzerland and other jurisdictions, and the evidence developed in them have been ignored. This reflects a systematic failure of professional rigour.

We have taken note of the fact that Mr Rory Godson is simultaneously Mr Fortson’s former boss as business editor at the Sunday Times and the architect of Mr Steinmetz’s public relations campaign. We also note that Mr Godson was preceded as the Steinmetz PR advisor by Mr John Waples of FTI Consulting, who was previously also Mr Fortson’s editor at the Sunday Times.

The Government of Guinea embraces the need for a vibrant, free and critical press, and welcomes journalists who report critically on matters of public interest, such as the questions surrounding the licensing of the Simandou concession. It is disturbed, however, by the Sunday Times’s apparent failure to adhere to basic rules of professional conduct in its reporting dealing with Guinea. It expects that the Sunday Times will react to these concerns in a responsible and professional manner. Absent a satisfactory and prompt regulation of the questions raised in this letter to appear not later than the June 15 issue, however, it is the Government’s intention to bring them to the immediate attention of the Press Complaints Commission for further action. Please direct your response to my attention, with a copy to Mrs Célia Grémy and Mr Chris McShane, our media consultants.

Sincerely yours,

[Signature]

KERFALLO YANSENE
MINISTER OF STATE, MINISTER OF
MINES AND GEOLOGY
REPUBLIC OF GUINEA

cc: Mrs Célia Grémy
    Mr Chris McShane