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To: Gordon, Megan (Litigation-WAS)
CC: yossie@bsgresources.com; Kleinfeld, George (Regulatory-WAS);
david@bsgms.com; Michael.Hatchard@skadden.com;
Sandro.DeBernardini@skadden.com
Sent: 4/9/2010 10:02:13 PM
Subject: Ministry and Rio Correspondence
Attachments: Ministry Correspondence.PDF; Rio Correspondence.PDF

Megan,

As per our call, attached is the correspondence from the Ministry and with Rio that we discussed at the meeting with George yesterday and which we have given to Eduardo earlier today. Yossie will post this material in the data room tomorrow night.

Best,

Michal

Michal Berkner
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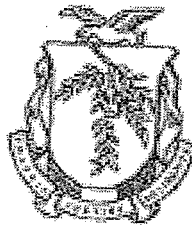
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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

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[CC]95-40469850[/CC]

PRESIDENCE DE LA REPUBLIQUE
SECRÉTARIAT GÉNÉRAL



RÉPUBLIQUE DE GUINÉE
Travail - Justice - Solidarité

N° 0188 /PRG/SGP/SP/

Conakry, le 22 MAI 2008

Le Secrétaire Général

MONSIEUR LE DIRECTEUR GÉNÉRAL
DE LA SOCIÉTÉ SIMFER S.A.
B.P. 848

CONAKRY

Objet : Notification de Grievs.

Monsieur le Directeur Général,

Suite à un contrôle de légalité des services compétents de la Présidence de la République, il apparaît que le Décret n° D-2008/008/PRG/SGG du 30 mars 2008 qui accorde à votre Société une Concession Minière pour l'exploitation du minerai de fer du Mont Simandou est entaché d'irrégularités qui obligent son auteur à la reconsidérer.

Ces irrégularités tiennent au fait qu'en la forme, ce décret ne comporte aucun visa de l'étude de faisabilité prescrite par le Code Minier. Laquelle étude doit établir l'existence d'un ou des gisements économiquement exploitables et ressortir l'importance des travaux et des investissements à réaliser pour votre projet.

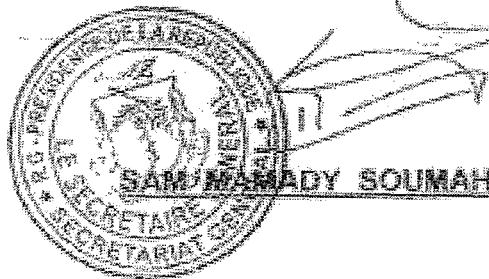
Dans son contenu, les articles 2, 4 et 5 de ce Décret semblent également contrevenir aux prescriptions des articles 41, 43 alinéa 2 et 46 de la Loi n°85/036/CTRN du 30 juin 1995 portant Code Minier guinéen, en ce qui est d'une part, des conditions d'obtention d'une concession minière, de sa durée, des modalités de son renouvellement et d'autre part, des conditions d'obtention d'une concession minière, de sa durée, des modalités de son renouvellement et d'autre part, des droits qu'elle confère à votre Société dans la mesure où l'obligation principale d'investir à bref délai pour l'exploitation est méconnue pour des droits de recherche qui peuvent perdurer au-delà de 15 années sans aucune décision d'investir.

Or, vous conviendrez que la concession minière étant un titre d'exploitation, sa délivrance implique cette décision d'investir pour l'exploitation puisqu'elle présume l'existence de gisements économiquement exploitables au-delà des 25 premières années à compter de son édicton. Et le fait de poursuivre les recherches dans le cadre de cette concession minière, n'est que pour augmenter la durée de vie de la mine et non pour faire de la concession minière un titre de recherche.

Enfin, on regrette de la lecture de ce Décret et de la Convention qui y est attachée, un procédé commode de gel de nos ressources minérales contraire aux efforts du Gouvernement de voir valoriser rapidement ces ressources pour accroître les revenus de l'Etat et mieux lutter contre la pauvreté de nos populations.

Pour toutes ces raisons, l'Autorité a décidé du retrait de ce Décret de Concession minière pour cause d'illégalité tout en vous rassurant qu'il vous en sera délivré conformément à la Loi, lorsque les termes de votre Convention Minière auront été pertinemment accordés aux prescriptions de notre Code Minier que vous déclarez pourtant respecter en tout point.

Vous remerciant de prendre acte de cette notification, nous vous prions d'agréer, Monsieur le Directeur Général, l'expression de notre considération distinguée.



OFFICE OF THE PRESIDENT
SECRETARIAT GENERAL

REPUBLIC OF GUINEA
Work – Justice – Solidarity

No. 0188/PRG/SGP/SP/

Conakry, May 22, 2008

The Secretary General

For the attention of:

The Chief Executive,
Simfer SA
POB 848
Conakry

Re: Notice of Grievances

Dear Sir,

Following a legal audit by the competent departments in the Office of the President, it would appear that Decree No. D-2006/008/PRG/SGG dated March 30, 2006, which grants your company a mining concession for working the iron ore at Mont Simandou contains various irregularities that require its author to reconsider it.

These irregularities refer to procedures, since the Decree does not contain any endorsement of the Feasibility Study required under the Mining Code. Such a study must demonstrate the existence of one or more economically viable deposits and highlight the scale of works and investments required to accomplish your project.

In its content, Articles 2, 4 and 5 of this Decree also appear to contravene the regulations in articles 41, 43 para. 2, and 46 of Law No. 95/036/CTRN of June 30, 1995 in respect of the Guinean Mining Code, on the one hand in respect of the conditions for obtaining a mining concession, its period and the terms for renewal, and on the other hand, the rights it grants your Company insofar as the main undertaking to invest within the short-term for the works is contradicted by prospecting rights that might last more than 15 years without any investment decision.

You will agree that the concession was for the purpose of operations, and its provision accordingly entailed the decision to invest in operations since it presumed the existence of economically viable deposits for over 25 years from its enactment. Continuing prospecting as part of this mining concession is only to extend the life of the mine and not to turn the mining concession into one just for prospecting.

Lastly, we note from a reading of this Decree and the Agreement that is appended to it an easy way to freeze our mineral resources, contrary to the Government's efforts to see a rapid benefit from such resources in order to increase State revenues so as to be in a better position to fight the poverty of our population.

For all these reasons the authorities have decided to withdraw this Mining Concession Decree on the grounds of illegality, while assuring you that it will be given to you in compliance with the Law when the terms of your Mining Concession will have been suitably adapted to the requirements of our Mining Code, which you have stated you will comply with in all respects.

Kindly take due note of this notification.
Yours sincerely,

SAM MAMADY SOUMAH

[Stamp: Office of the President – Secretariat General – Secretary General]

PRESIDENCE DE LA REPUBLIQUE

REPUBLIQUE DE GUINEE

Travail - Justice - Solidarité

SECRETARIAT GENERAL
DU GOUVERNEMENT

DECRET

D/2008/ 041 /PRG/SGG

RAPPORTANT LE DECRET D/2006/008/PRG/SGG DU 30 MARS 2006,
ACCORDANT UNE CONCESSION MINIERE A LA SOCIETE SIMFER
S.A

LE PRESIDENT DE LA REPUBLIQUE

Vu la Loi Fondamentale ;

Vu la Loi L/95/036/CTRN du 30 juin 1995, portant Code Minier de la
République de Guinée ;

Vu la Loi L/2003/003/AN du 23 février 2003, ratifiant la Convention de Base
signée le 26 novembre 2002, entre la République de Guinée et la Société
SIMFER S.A, pour l'exploitation des gisements de fer de Simandou ;

Vu le Décret D/2007/004/PRG/SGG du 31 décembre 2007, portant attributions
du Premier Ministre, Chef du Gouvernement ;

Vu le Décret D/2008/021/PRG/SGG du 20 mai 2008, portant nomination du
Premier Ministre, Chef du Gouvernement ;

Vu les manquements aux articles 41, 43 aléna 2 et 46 du Code Minier ;

DECRETE

Article 1 : Est et demeure rapporté le Décret D/2006/008/PRG/SGG du 30 mars
2006, accordant à la Société SIMFER S.A, filiale du Groupe RIO TINTO, une
concession minière d'une superficie de 738 km2 pour la recherche et
l'exploitation du minéral de fer du Mont Simandou, dans les Préfectures de
Beyla, Kérouané et Macenta.

Article 2 : Il sera octroyé à ladite Société une concession minière pour l'exploitation du minéral de fer du Mont Simandou conformément aux prescriptions du Code Minier définissant les droits et les obligations de l'entrepreneur minier, la durée de la concession et les modalités de son renouvellement.

La convention minière qui sera attachée à cette concession minière définira à titre principal, les meilleures conditions de l'exploitation qui respectent les prescriptions de la loi minière.

Article 3 : Les droits de la Société SIMFER S.A. consécutivement au retrait de la concession minière, sont ceux d'un titulaire de permis de recherche dont le régime juridique sera défini par Arrêté du Ministre des Mines et de la Géologie conformément à la loi.

Article 4 : Le Ministère des Mines et de la Géologie est chargé de l'application du présent Décret.

Article 5 : Le présent Décret qui prend effet à compter de sa date de signature et qui abroge toutes dispositions antérieures contraires, sera enregistré et publié au Journal Officiel de la République.

Conakry, le 28 JUILLET 2008


GENERAL LANSANA CONTE

SECRETARIAT GENERAL
OF THE GOVERNMENT

DECREE

D/2008/041/PRG/SGG

REVOKING DECREE D/2006/008/PRG/SSG DATED MARCH 30, 2006,
GRANTING A MINING CONCESSION TO SIMFER S.A.

THE PRESIDENT OF THE REPUBLIC

In view of the Basic Law;

In view of Law L/95/036/CTRN dated June 20, 1995 concerning the Mining Code of the Republic of Guinea;

In view of Law L/2003/003/AN dated February 23, 2003 ratifying the Basic Agreement signed on November 26, 2002 between the Republic of Guinea and Simfer S.A. for the working of the Simandou iron ore deposits;

In view of Decree D/2007/004/PRG/SGG dated December 31, 2007 concerning the remit of the Prime Minister, Head of Government;

In view of Decree D/2008/021/PRG/SGG dated May 20, 2008 concerning the appointment of the Prime Minister, Head of Government;

In view of the violations of Articles 41, 43 para. 2 and 46 of the Mining Code;

DECREES

Article 1: Notice is given of the revocation of Decree D/2006/008/PRG/SSG dated March 30, 2006, awarding Simfer S.A, a subsidiary of the Rio Tinto Group, a mining concession over an area of 738 km² for the exploration and working of iron ore on Mount Simandou, in the Beyla, Kérouané and Macenta Prefectures.

Article 2: A mining concession shall be granted to the said Company for working iron ore on Mount Simandou in accordance with the rules of the Mining Code that define the rights and obligations of the mining contractor, the period of the concession and the terms for renewal.

Article 3: The rights of Simfer S.A., pursuant to the withdrawal of the mining concession, are those of a holder of an exploration and prospecting permit, whose

legal terms will be defined by an Order of the Minister of Mines and Geology in accordance with the law.

Article 4: The Minister of Mines and Geology is responsible for implementing this Decree.

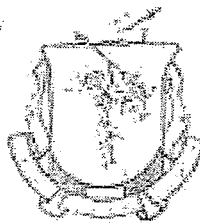
Article 5: This Decree becomes effective upon date of signature and annuls all previous, contrary provisions, and shall be registered and published in the Official Journal of the Republic.

Conakry, July 28, 2008

GENERAL LANSANA CONTE

PRÉSIDENCE DE LA RÉPUBLIQUE

SECRÉTARIAT GÉNÉRAL



RÉPUBLIQUE DE GUINÉE

Travail - Justice - Solidarité

N° 0156 /PRG/SGP/SP/

Conakry le 30 Mars 2008

Le Ministre Secrétaire Général

[Signature]

MONSIEUR LE DIRECTEUR GÉNÉRAL
DE LA SOCIÉTÉ SIMFER S.A.
B.P. : 848

CONAKRY

Objet : Réponse à courrier.

Monsieur le Directeur Général,

Suite à votre courrier en date du 11 juin 2008, il me revient de vous confirmer la légalité de la décision de retrait du Décret N°2006/008/PRG/SGG du 30 mars 2006 en raison de son défaut de base légale tenant en ce que ledit acte ne respecte pas les règles d'élaboration d'un acte administratif selon notre droit interne.

Le fait que cette convention de base ait été ratifiée et promulguée par la Loi N°4/2003/3/AN du 3 février 2003, comme loi de la République n'a pas pour effet d'occulter les motivations de fait et de droit devant être visés par ce Décret dans sa forme et dans son contenu par l'attribution d'une concession minière.

En effet, la ratification parlementaire d'une convention minière a son fondement dans l'article 77 alinéa 2 de la Loi Fondamentale en raison de ses dispositions économiques et financières. Elle ne peut affecter les dispositions législatives que si celles-ci n'ont pas un caractère d'ordre public. Or, au sens de l'article 183, les dispositions juridiques et techniques du code minier sont impératives, ce qui signifie que les parties ne peuvent y déroger par des accords particuliers.

C'est dire que l'Autorité n'a pas un choix discrétionnaire entre la voie de l'acte contractuel et celle de l'acte unilatéral dans l'attribution d'une concession minière à une société minière. Il reste tenu d'observer la voie de l'acte administratif unilatéral en respectant les conditions légales de délivrance dudit acte, en méfiant de l'origine législative du pouvoir de ce dernier.

Pour tous ces motifs, l'Autorité s'estime en droit de poursuivre ab-initio la correction du Décret N°2006/008/PRG/SGG du 30 mars vous ayant attribué une concession minière.

Par ailleurs, il reste constant qu'à ce jour et depuis onze (11) années durant vous n'avez prospecté qu'un seul bloc de cette chaîne de montagne du Simandou où vous avez mis en évidence selon les sources techniques plusieurs milliards de tonnes de gisement prouvé et selon vous 2,25 milliards de tonnes sans présenter une étude de faisabilité pour le démarrage de l'exploitation dans les trois (3) années qui ont suivi la date d'obtention de la concession minière.

C'est dire qu'il y a de votre part une volonté manifeste de geler le gisement existant non seulement dans ce bloc mais aussi dans les autres parties de la chaîne de Simandou.

L'Autorité ne saurait tolérer cette situation puisque de droit, l'entreprise d'exploitation vous oblige à prendre toutes les dispositions utiles pour l'extraction et l'expédition commerciale du minerai.

Telle est la définition que le code minier donne à la phase d'exploitation minière.

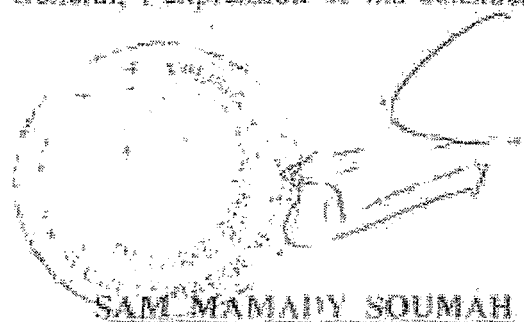
En d'autres termes, le retard pris dans la réalisation des infrastructures, d'extraction et d'évacuation est une violation des obligations légales liées à l'obtention de la concession minière octroyée par le Décret N°2006/008/PRG/SGG du 30 mars 2006.

C'est pourquoi, il nous revient de vous inviter à vous conformer à la loi minière nationale, par la production d'une étude de faisabilité prévoyant le démarrage de la première expédition commerciale du gisement de fer mis en évidence dans les meilleurs délais. D'ici là, l'Autorité est tenue de prendre ses responsabilités à l'égard de sa population, dans son effort de réduction de la pauvreté dans notre pays en confiant la valorisation de nos ressources naturelles à des partenaires plus diligents.

Tout en respectant vos efforts financiers pour la valorisation des minerais du bloc prospecté à ce jour, je vous remercie de recevoir par le présent, la notification du Décret D/2008/041/PRG/SGG du 28 juillet 2008.

Je vous prie d'agréer, Monsieur le Directeur Général, l'expression de ma considération distinguée.

P.J. : Décret D/2008/041/PRG/SGG du 28 juillet 2008
Rapportant le Décret n°2006/008/PRG/SGG du
30 mars 2006



SAM MAMADY SOUMAH

OFFICE OF THE PRESIDENT
SECRETARIAT GENERAL

REPUBLIC OF GUINEA
Work – Justice – Solidarity

No. 0856*/PRG/SGP/SP/

Conakry, July 30, 2008

The Minister Secretary General

For the attention of:

The Chief Executive,
Simfer SA
POB 848
Conakry

Re: Answer to letter

Dear Sir,

Further to your letter dated June 11, 2008, I can confirm the legality of the decision to withdraw Decree No. 2006/008/PRG/SGG dated March 30, 2006, on account of it not having a legal basis, since the said document does not comply with the rules for the drawing up of an administrative order in accordance with our laws.

The fact that this basic agreement was ratified and promulgated by Law No. L/2003/3/AN of February 3, 2003 as a law of the Republic cannot gloss over the reasons in fact and law that must be addressed by this Decree in both form and content in the granting of a mining concession.

Parliamentary ratification of a mining agreement is based upon Article 77 para. 2 of the Basic Law on account of its economic and financial provisions. It can only affect the legislative provisions if these do not concern public order. In the meaning of Article 183, the legal and technical provisions of the Mining Code are paramount, meaning that the parties cannot deviate from them through individual agreements.

This means that the Government does not have a discretionary choice between the route of a contractual agreement and a unilateral agreement in the granting of a mining concession to a mining company. It is obliged to go the route of a unilateral, administrative order while complying with the legal conditions for granting of the said order, on account of the legislative basis of the authority of this decree.

For these reasons, the government deems that it is entitled *ab initio* to correct Decree No. 2006/008/PRG/SGG of March 30 that granted you a mining concession.

To this day and for eleven (11) years you have only prospected a single block in the Mount Simandou range, where according to technical sources you have displayed

* Translator's note" first four digits not completely legible

several billion tons of proven deposits and according to yourselves 2.25 billion without having submitted a Feasibility Study to start the works in the three (3) years following the date of obtaining the mining concession.

That is to say that on your part there is a clear wish to freeze the deposit, not just in this block but also in other parts of the Simandou range.

The Government cannot tolerate this situation since in law the undertaking of mine working obliges you to take all necessary measures for the extraction and commercial shipment of the ore.

This is the definition that the Mining Code gives to working a mine.

In other words, the delay in implementing the infrastructure, extraction and removal is a breach of the legal undertakings linked to obtaining the mining concession granted under Decree No. 2006/008/PRG/SGG of March 30, 2006.

That is why we again ask you to comply with the national mining law, by producing a Feasibility Study that will specify the first commercial shipment of iron ore at the earliest possible date. In the meantime the Government is bound to assume its responsibilities towards the population in its efforts to reduce poverty in our country, by awarding the commercialization of its natural resources to more conscientious partners.

While acknowledging your financial efforts to commercialize the ore in the block prospected to date, I would ask you to hereby accept receipt of Decree D/2008/041/PRG/SGG dated July 28, 2008.

Yours sincerely,

SAM MAMADY SOUMAH
[Stamp: illegible]

Encl. Decree D/2008/041/PRG/SGG dated July 28, 2008 revoking Decree No. 2006/008/PRG/SGG of May* 30, 2006

* Translator's note: original states May, even though all previous references are to March

N° 122 /MMIG/CAB/



Conakry, le 10/10/2008

N/Réf.

V/Réf.

Objet :

Le Ministre

A

Monsieur le Directeur Général
de la Société SIMFER S.A.
B.P. 848
CONAKRY

Monsieur le Directeur Général,

Suite à la réunion tenue le 17 septembre 2008, entre les représentants de votre Société et la Commission Technique chargée de suivre votre dossier, je voudrais vous réitérer la disponibilité du Gouvernement à coopérer avec votre Société pour l'exploitation et la mise en valeur des gisements de fer des Monts Simandou.

Cependant, afin de conférer à cette coopération des bases solides, j'ai l'honneur de vous demander, conformément aux dispositions de la Convention de base et du Décret D/2008/041/PRG/SGG du 28 juillet 2008 de bien vouloir fournir sous huitaine à ladite Commission, les documents ci-après :

- 1 - Une proposition de plan de rétrocession sur la superficie de votre concession ;
- 2 - Les résultats de tous vos travaux sur les zones couvertes par vos quatre (04) permis de recherche, notamment :
 - un C.D. renfermant toutes les données géologiques et minières,
 - les cartes géologiques, géologiques et géophysiques,
 - les plans de prospection avec le nombre de sondages et les teneurs respectives,
 - l'estimation des réserves.

Tout en vous rassurant encore une fois de sa ferme volonté de poursuivre le partenariat avec votre société, l'Administration Minière tient à vous réitérer son attachement à l'obtention de ces informations.

Je vous prie d'agréer, Monsieur le Directeur Général, l'assurance de ma franche collaboration.



Dr Louncény NABE

MINISTRY OF MINES AND GEOLOGY

N°1208/MMG/CAB/

N°/Ref:

V/Ref:

Subject:

REPUBLIC OF GUINEA

Work – Justice – Solidarity

Conakry, September 19, 2008

The Minister

For the attention of:

The Chief Executive,

SIMFER S.A.

POB 848

CONAKRY

Dear Sir,

Further to the meeting held on September 17, 2008 between the representatives of your company and the Technical Committee in charge of your file I would like to reiterate the availability of the Government to cooperate with your company in the exploitation and development of the Simandou iron ore deposits.

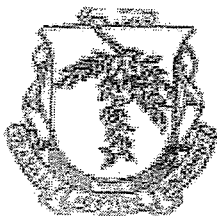
However, with a view to arming this cooperation with a strong basis, I'm pleased to ask you – in accordance with the provisions of the Basic Agreement and of Decree D/2008/041/PRG/SGG dated July 28, 2008 – to provide the aforementioned Committee, within eight days, with the following documents:

- 1- A retrocession plan proposal on your concession area;
- 2- The outcomes of all your works on the areas covered by your four (04) prospecting permits, notably:
 - A CD holding all the mining and geological information,
 - Geological, geological and geophysical maps,
 - Prospecting maps including the number of drillings and the respective grades,
 - The estimate of reserves.

While reasserting its firm will to maintain partnership with your company, the Mining Administration reiterates its attachment to getting that information.

Please be assured, dear Sir, of my sincere cooperation.

Dr Lounceny NABE



MINISTÈRE DES MINES
ET DE LA GÉOLOGIE

CABINET DU MINISTRE

N° 503/MMG/CAB/2008/FS

Travail - Justice - Solidarité

Conakry, le 14 octobre 2008

Le Ministre

A

Monsieur le Directeur Général
de SIMFER S.A Corniche Sud,
Commune de Matam
BP : 848

Objet : Plan de rétrocession

CONAKRY

Monsieur le Directeur Général,

Par courrier N°14030/MMG/CAB/2008/FS en date du 14 octobre 2008, j'aurais réception de votre lettre N°08-0033/DS/Simfer en date du 6 octobre 2008 par laquelle vous m'avez transmis partiellement les informations sollicitées suivant ma lettre N°1208 du 19 septembre 2008, en application des dispositions du Code minier et de votre convention.

Dans le courrier susvisé, je vous rappelais également la nécessité de fournir les informations qui n'ont pas été transmises, en particulier les CD contenant les informations minières et géologiques.

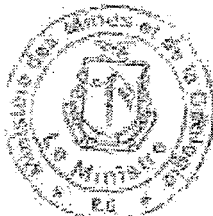
Je voudrais vous inviter à nouveau à compléter les informations transmises dans un délai maximum de 8 jours à compter de la date de réception de ce courrier. En effet, la fourniture de ces informations est une de vos obligations fondamentales aux termes de la loi minière et de la convention qui nous régit.

D'autre part, comme annoncé dans mon courrier, les services techniques ont procédé à l'examen des informations déjà transmises et m'ont fait part de leurs conclusions qui révèlent que la rétrocession à laquelle vous faites allusion couvre 17% de la superficie de votre concession. J'apprécie cette décision de votre part.

Toutefois, étant donné que cette rétrocession devrait porter sur les 50% de ladite superficie, je vous demande de bien vouloir fournir, également sous huitaine, un plan de rétrocession tenant compte de cette exigence liée à la superficie.

Passé ce délai, l'Administration minière se réserve le droit de vous faire parvenir sa propre proposition de rétrocession.

Veuillez agréer, Monsieur le Directeur Général, l'expression de mes sentiments distingués.



Dr Loucéary NABE

Conakry , October 26, 2008

The Minister

For the attention of:

The Chief Executive,

SIMFER S.A

Southern Cornice, Commune of Matam

POB 848 Conakry

MINISTRY OF MINES AND GEOLOGY

CABINET OF THE MINISTER

No.1503/MMG/CAB/2008/FS

Subject: Retrocession Plan

Dear Sir,

Through letter No.14030/MMG/CAB/2008/FS dated October 14, 2008, I acknowledged receipt of your letter No.08-0033/DS/Simfer dated October 6, 2008 whereby you transmitted me a part of the information requested through my letter No.1208 dated September 19, 2008, pursuant to the provisions of the Mining Code and to your Convention.

Via the above-mentioned letter, I reminded you, among other things, of the necessity to provide the missing information, notably the CDs storing the mining and geological data.

I would like to invite you to complete the transmitted information within a maximum period of 8 days from receipt of this letter. Provision of this information is mandatory in accordance with the effective mining law and convention.

In addition, as indicated in my former letter, conclusions of the review of already transmitted information conducted by technical services reveal that the retrocession to which you referred covers 17% of your concession area. I appreciate that decision.

However, given that the retrocession should cover 50% of the aforementioned area, you are also requested to provide us – also within 8 days – with a retrocession plan that would take that request into consideration.

After this period, the mining Administration reserves the right to send you its own retrocession proposal.

Yours sincerely,

Dr Lounceny NABE



REPUBLIQUE DE GUINEE

Conakry, le

MINISTRE DES MINES
ET DE LA GEOLOGIE

CABINET DU MINISTRE

Le Ministre

N°/MMG/CAB/2008/FS

A

Objet : Transmission de plan de rétrocession

Monsieur le Président Directeur Général
de SIMFER S.A
BP : 848 – Corniche Sud,
Commune de Matam

Monsieur le PDG,

La session ordinaire du Conseil des Ministres en date du 04 décembre 2008 a pris acte de l'état d'avancement des négociations engagées entre votre société et le Gouvernement guinéen à travers le Comité Interministériel mis en place suite à la signature du décret D/2008/041/PRG/SGG du 28 juillet 2008 rapportant le décret D/2005/008/PRG/SGG du 30 mars 2005 octroyant une concession minière d'une superficie de 738 km² à SIMFER S.A.

Constatant l'absence de résultat satisfaisant quant à la question spécifique relative à la rétrocession, le conseil a instruit au Ministère des Mines et de la Géologie d'appliquer les dispositions du Code Minier, ce qui, en l'occurrence, correspond à une rétrocession de 50% de votre superficie actuelle.

En exécution de cette décision, je vous fais parvenir ci-joint, un plan de rétrocession de 50% faisant ressortir les coordonnées du périmètre qui vous reviendra ainsi que celles de la partie rétrocédée.

Veuillez agréer, Monsieur le PDG, l'expression de mes sentiments distingués.

Dr. Lourcény NABE

PROPOSITION DE RETROCESSION
 PERMIS RIO TINTO
 Septembre 2008

zone à rétroceder

Superficie à rétroceder = 398 Km²
 Longueur rétrocedée = 65 Km

6° 55' 40" Latitude Nord

zone proposée

Superficie à retenir = 300 Km²
 Longueur retenue = 55 Km

6° 25' 00" Latitude Nord

REPUBLIC OF GUINEA

Conakry, December 4, 2008

MINISTRY OF MINES AND GEOLOGY

CABINET OF THE MINISTER

N° /MMG/CAB/2008/FS

The Minister

For the attention of:

The Chief Executive,

SIMFER S.A

POB 848 – Southern Cornice,

Commune of Matan

Subject: Transmission of retrocession plan

Dear Sir,

The ordinary session of the Council of Ministers held on 4 December 2008 took note of the status of negotiations between your company and the Guinean Government through the Interdepartmental Committee set up further to the signing of Decree D/2008/041/PRG/SGG of July 28, 2008 revoking Decree D/2006/008/PRG/SGG of March 30, 2006 granting a 732 km² mining concession to SIMFER S.A.

Given the lack of acceptable results with regards to the retrocession issue, the council ordered the Ministry of Mines and Geology to enforce the provisions of the Mining Code, corresponding, in this case, to a withdrawal of half of your current area.

Please find enclosed a 50% retrocession plan highlighting the coordinates of the area accruing to you as well as those of the retroceded part.

Yours sincerely,

Dr Lounceny NABE

RETROCESSION PROPOSAL
RIO TINTO PERMIT
September 2008

AREA TO RELINQUISH

Acres to relinquish = 369 km²
Relinquished length = 55 km

8° 54' 40" Northern latitude

PROPOSED ZONE

Area to retain = 369 km²
Retained length = 55 km

8° 25' 00" Northern latitude



Conakry, le 28 MAI 2009

PRESIDENCE DE LA REPUBLIQUE

MINISTÈRE DES MINES
DE L'ÉNERGIE ET DE L'HYDRAULIQUE

CABINET DU MINISTRE

N° 0783 / MMEH/CAB/2009/FM

Le Ministre

A

Monsieur le Directeur Général
de Rio Tinto.

Objet : Retrait des équipements miniers
sur le site BSGR.

CONAKRY

Monsieur le Directeur,

Le 09 décembre 2008, l'Etat Guinéen a accordé à la Société (BSGR) un permis de recherches minières couvrant une superficie de 369 km² pour le fer dans la Préfecture de Kérouané (Block 1 et 2).

La présence de vos équipements à l'intérieur du territoire couvert par ce titre minier est inacceptable. Il me revient de vous demander de bien vouloir retirer vos installations dans les plus brefs délais pour faciliter l'évolution de leurs travaux de recherches.

Avec mes remerciements anticipés, je vous prie de croire, Monsieur le Directeur Général, à l'expression de mes sentiments distingués.



Mahmoud THIAM
Mahmoud THIAM

Republic of Guinea
Conakry 28 May 2009

OFFICE OF THE PRESIDENT
MINISTRY OF MINES AND ENERGY
CABINET OF THE MINISTER

No. 0783/MMEH/CAB/2009/FM

The Minister

TO

The General Director of Rio Tinto

Subject: Removal of mining equipment from BSGR site

Dear General Director,

On 9 December 2008, the Republic of Guinea granted to BSGR a permit for mining research covering an area of 369 square kilometres for iron ore in the region of Kérouané (Blocks 1 and 2).

The presence of your equipment inside the territory covered by this mining permit is unacceptable. It is my duty to demand that you remove such equipment as quickly as possible to enable the progress of BSGR research work.

Yours sincerely,

Mahmoud THIAM.



Conakry, le 26 JUN 2009.

PRESIDENCE DE LA REPUBLIQUE

MINISTRE DES MINES
DE L'ENERGIE ET DE L'HYDRAULIQUE

CABINET DU MINISTRE

N° 1035 /MEH/CAB/2009/FS

Objet : Production et exploitation du minerai
de fer en Guinée

Le Ministre

A

Monsieur Tom Albanese
Président Directeur Général
Rio Tinto
Place 2 Eastbourne Terrace
London W2 6LG
United Kingdom

Tel : +44 (0) 20 77 81 20 00
Fax: +44 (0) 20 77 81 18 00

Monsieur le Président Directeur Général,

Par la présente, le Gouvernement de Guinée représenté par son Ministère des Mines, de l'Energie et de l'Hydraulique, vous confirme son souhait de voir une société de l'envergure et de la réputation de Rio Tinto engagée dans la production et l'exportation du minerai de fer en Guinée. Le gouvernement guinéen s'engage à fournir tous les efforts nécessaires pour que Rio Tinto et toutes autres sociétés installées en Guinée puissent opérer dans un environnement juridiquement sécurisé et propice à la bonne conduite des affaires. Pour leur part, les sociétés étrangères opérant sur notre territoire sont tenues comporter en citoyens responsables et adhérer aux mêmes standards d'éthique et de respect des us et coutumes qu'elles s'imposent lorsqu'elles opèrent dans un pays industrialisé.

Depuis l'avènement au pouvoir du CNDD et de son Président, le Capitaine Moussa Dadis CAMARA, la Guinée a eu comme priorité d'éradiquer la corruption et le trafic de drogue ainsi que d'instaurer l'équité et la transparence dans le fonctionnement de notre secteur minier. Dans cet esprit nous souhaitons nous assurer que les sociétés opérant chez nous et originaires de pays signataires de traités et d'accords tels que IETI et le « Equator Protocol » s'imposent de se comporter en concordance avec les principes de ces institutions.

C'est dans cet esprit que nous avons procédé à un examen attentif des permis d'exploitation et de la rétrocession des blocks 1 et 2 imposée 2008 par un ancien gouvernement. Cet examen nous conforte dans le maintien de la décision. Nous la trouvons conforme aux lois guinéennes du code d'exploitation minier et aux meilleures pratiques internationales. Au-delà de l'aspect juridique de la

question nous avons conclu que le partage du territoire en question sert au mieux les intérêts des Guinéens sur le long terme. Nous avons, dès lors, déclaré la décision légitime, finale et irrévocable. Nous avons officiellement communiqué cette décision à Rio Tinto par écrit et notre Président l'a confirmé dans de nombreuses déclarations publiques.

Nous sommes, cependant, au regret de constater que Rio Tinto semble ignorer cette décision souveraine de notre gouvernement avec une consistance qui frôle le défi à l'autorité de l'Etat. De surcroît nous constatons avec stupéfaction que des cadres de votre société sont engagés dans une campagne de presse subversive et détenons des preuves de leur implication directe et dans une campagne de diffamation contre l'Etat guinéen, son gouvernement et certains de ses représentants. Le comportement de ces cadres et employés est absolument contraire à toutes règles d'éthique et parfois clairement illégal. Ces activités s'approchent parfois dangereusement à la tentative de déstabilisation de la paix civile et d'affaiblissement de notre équilibre socio-économique.

Nous possédons, je le répète, les preuves manifestes de ces actes et étudions à l'heure actuelle les différents moyens de recours dont nous disposons pour les sanctionner. En attendant, nous demandons à la direction générale et au conseil d'administration de Rio Tinto de faire cesser ces activités immédiatement.

Nous sommes par ailleurs surpris du manque de réaction de votre société à nos invitations répétées de venir confirmer le statut de la concession sur les blocks 3 et 4 qui vous reviennent. Vous êtes certainement informés du fait qu'après la rétrocession, le statut de votre concession est naturellement modifié et qu'un nouvel accord doit couvrir les blocks 3 et 4 restants. A défaut d'une telle régularisation, le statut de votre concession demeure fragile.

Nous avons connaissance de rumeurs alarmantes concernant un arrêt des travaux par Rio Tinto et de votre intention de démobiliser vos équipes et de résilier les contrats de vos sous-traitants. Lorsque ces rumeurs s'ajoutent au constat que Rio Tinto est présente en Guinée depuis 1997 et qu'après 13 longues années nous sommes encore, selon vos propres projections, à au moins 5 ans d'exporter la première tonne de minerais de fer du mont Simandou. Nous notons avec chagrin que cette période a couvert la plus belle envolée des cours de matières première de l'aire moderne. Qu'une société de votre taille n'aie pas été en mesure de développer un des gisements les plus riches et les plus convoités du monde en ce temps, impose quelques questions sur ses intentions réelles. Nous vous demandons donc un engagement ferme et définitif sur Simandou car L'opportunité perdue pour le peuple guinéen est énorme.

Nous vous prions, d'agréer Monsieur, l'expression de nos salutations distinguées.



Mahmoud THIAM

CC: Jan Duplessis, Chairman of the Board

Republic of Guinea

Conakry 26 June 2009

OFFICE OF THE PRESIDENT

MINISTRY OF MINES AND ENERGY

CABINET OF THE MINISTER

No. 1035/MMEH/CAB/2009/FM

The Minister

TO

Mr. Tom Albanese
Chairman and General Director
Rio Tinto
Place 2 Eastbourne Terrace
London W2 6LG
United Kingdom

Subject: Production and exploitation of iron ore in Guinea

Dear Chairman,

The Guinean Government, represented by its Minister of Mining and Energy, hereby confirms its welcoming a company of high status and reputation such as Rio Tinto engaging in the production and exploitation of iron ore in Guinea. The Guinean Government is committed in providing all necessary efforts so that Rio Tinto and all other companies present in Guinea can operate in a secure legal environment which is suitable for the orderly conduct of business. On the other hand, foreign companies operating in our country are required to account for their behaviour like responsible citizens and expected to inform such behaviour to the same standards in terms of ethics and respect for local customs which are imposed on them when they operate in an industrialised country.

Following the coming to power of the CNDD [National Council for Democracy and Development] and its President, Captain Moussa Dadis CAMARA, Guinea has made a priority of the eradication of corruption and drug trafficking in order to establish fairness and transparency in the functioning of our mining sector. Accordingly, we wish to ensure that companies operating in our territory that are [incorporated] in countries which are signatories of treaties and agreements such as the IETI and the "Equator Protocol" undertake to conduct themselves in accordance with the principles of these institutions.

It is in this context that we have proceeded to carefully examine the mining permits and the withdrawal [retrocession] of blocks 1 and 2 ordered in 2008 by the previous government. This examination has led us to confirm such decision. We find this decision to be in compliance with the Guinean laws on mining and the best international practice. In addition, and beyond the legal profile, we have concluded that the sharing of the area in question best serves the interest of the Guineans in the long term. We have, since then, declared the

decision legitimate, final and irrevocable. We have officially communicated this decision to Rio Tinto in writing and our President has confirmed it in many public speeches.

We regret, however, to see that Rio Tinto appears to have ignored this sovereign decision of our Government with a persistency which challenges the authority of the Country. Moreover, we have noted with concern that some officers of your company, of whose direct involvement we have evidence, are engaged in a subversive press campaign and in a defamation campaign against the Guinean State, its government, and some of its representatives. The behaviour of these officers is absolutely against all ethical rules and is of course clearly illegal. These activities are dangerously approaching an attempt at destabilising civil peace and weakening our socio-economic stability.

We possess, I repeat, very clear evidence of these acts and we are currently evaluating different means at our disposal to sanction them. In the mean time we are asking the management of Rio Tinto and its board of directors take action to stop these activities immediately.

We are very surprised by the lack of reaction of your company to our repeated requests to confirm the status of the concession of blocks 3 and 4 held by your company. You are certainly aware of the fact that after the retrocession, the status of your concession is of course modified and that a new agreement must cover blocks 3 and 4 after they have been returned to your company. If this is not provided for, the status of your concession remains fragile.

We have heard alarming rumours concerning a stoppage of Rio Tinto's works and your intention to withdraw your team and terminate your supply contracts. These rumours combine with our considering that Rio Tinto has been present in Guinea since 1997 and that after 13 long years Rio Tinto is still, according to your own estimate, at least 5 years from exporting the first ton of iron ore from Simandou mountain range. We note with disappointment that this period has coincided with the best trend in primary material markets of modern times. The fact that a company of your size has not been able to develop one of the richest ore deposits of the world in such a long time poses several questions about your real intentions. We ask you therefore for a firm and definitive commitment on Simandou as otherwise the loss to the Guinean people would be enormous.

Yours sincerely

Mahmoud THIAM



REPUBLIQUE DE GUINEE

Travail - Justice - Solidarité

Conakry, le 14 JUL 2009

PRESIDENCE DE LA REPUBLIQUE

MINISTRE DES MINES DE L'ENERGIE
ET DE L'HYDRAULIQUE

CABINET DU MINISTRE

N°/MMEH/CAB/SG/CJ/CT/2009

2091

Le Ministre

A

Monsieur le PDG de SIMFER S.A
Corniche Sud, Commune de Matam
BP : 848 - Conakry

Objet : retrait de vos équipements

Monsieur le PDG,

J'ai l'honneur d'accuser réception de votre courrier N°09-0125/SD/Simfer du 1^{er} juillet 2009 relatif au retrait de vos équipements des blocs 1 et 2 du Simandou.

Par ce courrier et faisant suite à ma lettre N°783/MMEH/CAB/2009/FM du 28 mai 2009 relative à cet objet, vous me proposez la mise en place d'un comité multidisciplinaire tripartite.

Je voudrais à ce propos vous rappeler l'urgence liée à l'exécution de la décision administrative qui vous a été notifiée il y a environ un mois.

Vous voudrez bien noter que ce délai d'un mois qui s'est ainsi écoulé depuis l'envoi de la lettre du 28 mai 2009, était largement suffisant pour vous permettre d'exécuter cette décision.

Je vous demande donc de procéder immédiatement au retrait de vos équipements tel que demandé dans mon courrier.

A défaut du retrait des équipements dans un délai maximum d'une semaine, vos activités seront suspendues jusqu'à l'exécution définitive de la décision susvisée.

Les services techniques de l'Administration minière sont à votre entière disposition dans la limite de leurs attributions respectives pour vous accompagner dans l'accomplissement de cette mesure.

Veuillez agréer, Monsieur le PDG, l'expression de mes sentiments distingués.



P/Le Ministre/P.O
Le Secrétaire Général

Dr Aboubacar Koly KOUROUMA

Republic of Guinea

Work – Justice – Solidarity

Written in Conakry, on 14 April 2009

July

The Minister

To

The Chairman of SIMFER S.A

Southern Cornice, Commune of Matam

POB 848 - Conakry

PRESIDENCY OF THE REPUBLIC

Ministry of Mines, Energy & Hydraulic Resources

The Cabinet of the Minister

N°...../MMEH/CAB/SG/CJ/CT/2009

Subject: Removal of your equipment

Dear Chairman,

I have the pleasure to acknowledge receipt of your letter N°09-0125/SD/Simfer dated 1 July 2009 regarding the removal of your equipment from the Simandou blocks 1 and 2.

Hereby and further to my letter N°783/MMEH/CAB/2009/FM dated 28 May 2009 regarding this issue, you suggest setting up a tripartite multi-disciplinary committee.

In this regard, I would like to remind you of the urgency to carry out the administrative decision transmitted to you about one month ago.

As you may notice, this one month delay that has elapsed since we sent you the 28 May 2009 letter was more than enough for you to perform that decision.

I shall then request you to immediately remove your equipment, as was requested in my former letter.

Unless equipment is removed within one week at the latest, your activities will be suspended until the complete execution of the above-mentioned decision.

The mining Administration technical services are at your entire disposal, within the limits of their attributions, to assist you in the achievement of this measure.

With my best regards,

P/The Minister/P.O

The Secretary-General

Dr Aboubacar Koly KOUROUMA



MINISTRE DES MINES
ET DE LA GEOLOGIE

CABINET DU MINISTRE

REPUBLIQUE DE GUINEE

Travail - Justice Solidarité

Conakry, le

Le Ministre

N°...../MMG/CAB/FM/2010

A

Mr. Eduardo Ladsham
Head of Global Exploration
Vale
Av Graca Arana, 265
20030900 Rio de Janeiro
Brasil

Friday, March 19, 2010

Dear Mr. Ladsham,

It was a pleasure talking to you on the conference call we held yesterday. As I mentioned then the Government of Guinea welcomes the contemplated Joint Venture between Vale and BSGR for the development of the Zogota concession and blocs 1 and 2 of the Simandou mountain range.

We further confirm that BSGR holds legal rights through a duly obtained mining concession and its presidential ratification decree. That convention grants BSGR exclusive right of passage through Liberia and the port of Buchanan.

We hope the above helps advance your venture talks.

Best regards,

Mahmoud Thiam
Minister



Simfer S.A.
Corniche Sud, rue MA-500
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BP848 Conakry
Republic of Guinea
T +224 3046 8615
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BSG Resources Guinée SARL	BSG Resources (Guinea) Ltd	BSG Resources Limited
Coléah corniche	West Wing	West Wing
Commune Matam	Frances House	Frances House
Boîte Postale 6389	Sir William Place	Sir William Place
Conakry	St Peter Port GY1 1GX	St Peter Port GY1 1GX
REPUBLIC OF GUINEA	GUERNSEY	GUERNSEY

Mr Asher Avidan
11 Ginat Egoz Street
Modiin-Makabim-Reut
ISRAEL

Mr Beny Steinmetz
8 Almog Street
Arsuf
ISRAEL

N/R-09-0114/DS/Simfer

11 June 2009

Dear Sirs,

Mining activities of BSG Resources in the Simandou region of Guinea

We are writing regarding the exploration, prospecting and related mining activities of BSG Resources Limited, BSG Resources (Guinea) Limited, BSG Resources Guinée SARL, Mr Beny Steinmetz and Mr Asher Avidan (together "**BSGR**") in the Simandou region of the Republic of Guinea ("**Guinea**").

The Rio Tinto Group ("**Rio Tinto**") is concerned by BSGR's current exploration, drilling and related mining activities in Simandou Block 1 and Block 2.

As you are aware, these are Blocks over which Rio Tinto, through its Guinean subsidiary, Simfer S.A. ("**Simfer**"), holds a mining concession (the "**Concession**") granted by the Republic of Guinea pursuant to a mining convention signed on 26 November 2002. The mining convention, pursuant to which the Government of Guinea undertook to grant Rio Tinto a concession in respect of Simandou Blocks 1 to 4, was approved by the *Assemblée Nationale* and ratified by law on 3 February 2003 (the "**Mining Convention**").

From that time, Rio Tinto's Mining Convention has had the force of law and constitutes the legal basis of Simfer's mining rights under the Concession. All this is a matter of public record in Guinea.

As you are no doubt also aware, Rio Tinto has, further to its rights under the Mining Convention and Concession, been engaged in exploration and prospecting activities in each of the Simandou Blocks for a number of years and has, through Simfer, invested over 400 million US Dollars in this regard.

Although Guinea purported to withdraw Simfer's Concession last year, former President Lansana Conté's attempts to do so were and are invalid. The Concession could not be withdrawn other than in accordance with the provisions of the Mining Convention which, as an act ratified by the Guinean *Assemblée Nationale*, cannot be repealed or otherwise invalidated by mere decree.

As a consequence, the decree No. D/2008/041/PRG/SGG issued on 28 July 2008 by the former President purporting to withdraw the decree granting Simfer the Concession in 2006 (the "**Decree**") is plainly contrary to Guinean law, not least because it fails to observe these fundamental legal principles. These are matters of public record of which BSGR cannot have been unaware.

Nonetheless, in a press release dated 10 December 2008, BSGR claimed that it had been awarded concessions over Simandou Block 1 and Block 2, and announced that the Blocks were "two prime iron concessions in an area that has been recognized as one of the largest untapped high quality iron ore resources in the world today, [which] not only significantly adds to the resource tonnage of BSGR Guinea but also presents it with an opportunity to define and extend its world class iron ore deposit in Guinea." BSGR subsequently announced, by a press release dated 17 February 2009, that it had received "definitive confirmation from the Ministry of Mines and Energy as well as from the President of the Republic of Guinea that its exploration licences for the Simandou Blocks 1 and 2 are valid and have been ratified". The press release stated that BSGR was already engaged in exploration activities, and that drilling was expected to commence soon. Indeed, Simfer representatives have since observed BSGR drilling in the Simandou Blocks.

These press releases are consistent with information received by Rio Tinto that, since the execution of a memorandum of understanding with some Guinean ministers in early 2006, BSGR has been lobbying the Government in order to expand its mining rights in the Simandou region beyond its existing interests to include Simandou Blocks 1 to 4. BSGR has done so with full knowledge of, but without regard to, Rio Tinto's existing Mining Convention and Concession, which covers each of Simandou Blocks 1 to 4.

It is also to be noted in this regard that Rio Tinto was advised by the Minister of Mines and Energy that it would be required to relinquish the Simandou Block 1 and Block 2 of its Mining Concession just one day before BSGR's Press Release of 10 December 2008, announcing that it had been granted a concession over these Blocks.

Rio Tinto is aware that BSGR has now commenced drilling in Simandou Block 1 and Block 2. BSGR's activities have been observed by Simfer representatives in the region. Again, it is noted that BSGR is pressing ahead with its activities in complete disregard of Rio Tinto's rights under the existing Mining Convention and Concession.

It remains Rio Tinto's position that the Decree was invalid and contrary to law, and that Rio Tinto's rights under the Mining Convention and Concession in relation to Simandou Blocks 1 to 4 remain intact. This matter is currently being discussed between Rio Tinto and the Guinean authorities within the framework of the Mining Convention.

Until this matter is resolved in accordance with the Mining Convention, any purported grant of mining rights by Guinea to BSGR, or claim of such rights by BSGR, is necessarily invalid to the extent that it relates to Simandou Block 1 and Block 2, or otherwise conflicts with Rio Tinto's rights under the Mining Convention and Concession. Should BSGR continue with exploration, drilling or other mining activities in these areas, it does so at its own risk, in the absence of any valid legal right, title or interest and in direct infringement of Simfer and Rio Tinto's rights under the Mining Convention and Concession.

Finally, please be advised that Rio Tinto reserves its rights, and intends to hold BSGR, as well as its officers and related entities, responsible for any and all loss or damage, direct or indirect, that Rio Tinto or its subsidiaries have suffered, or will suffer, as a consequence of the activities of BSGR and its subcontractors in or relating to the Simandou region of Guinea.

Yours faithfully

For and on behalf of **Simfer S.A.**



David M. Smith
President and Managing Director



David Smith
Simfer S.A.
Corniche Sud, rue MA-500
Villa ex-Union Européenne
BP848 Conakry
Republic of Guinea

Conakry, 23 June 2009

Dear Sir,

BSG Resources Guinée SARL (the "Company") – Simandou

We refer to your letter of 11 June 2009.

We note the threats contained in your letter, but are completely unimpressed by them.

Your letter is clearly intended to intimidate the Company and to interfere with its lawful activities in Guinea. Your improper intent is underlined by the fact that you have extended your baseless threats not only to non-operating companies outside Guinea, but even go as far as involving two individuals, all of whom are simplistically lumped together by you in your definition of "BSGR" without valid reason.

There is no legal or factual analysis which even begins to explain how liability on the part of the Company, its officers and the other entities and individuals named by you could possibly arise. Your entire letter is based upon vagueness and innuendo and totally lacks hard evidence or detailed legal analysis of the claim against the Company.

The Company has, at all times, behaved properly and in accordance with the law of Guinea, with the benefit of legal advice. The Company has entered into a concession which was offered to it by the Guinean mining authorities, which has been approved by both the prior and current President and by both the prior and the current governmental authorities. We note that several other mining companies discussed similar proposals with the Guinea Government in respect of Blocks in Simandou.

The fact that your own concession was withdrawn appears to have been due to the processes of the Guinea licensing procedures and your own inaction. The withdrawal was not caused by any activities on the part of the Company. The loss of your concession is a matter for you and the Guinea Government. In that regard, although you say that "the matter is currently being discussed between Rio Tinto and the Guinean authorities" there have been clear public statements from the Guinea Government that it considers that your concession has been properly terminated and the matter is not open.

BSGR

BSG Resources Guinée

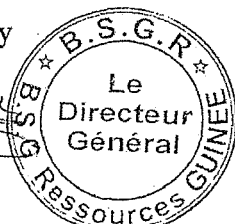
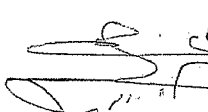
We reject and will strongly resist any attempt by you to involve us in this matter as a tactical device in your dispute with the Guinea Government (to whom we are copying this correspondence).

Unfortunately, this attempt is the latest in a series of deeply disturbing actions by you. In the past months, the Company's operations in Simandou have been disrupted as a result of various actions taken by you on the ground. These are well documented and include the encouragement of demonstrations against the Company's operations, and other actions which have endangered our staff, such as intimidating use of low flying helicopters over Blocks 1 and 2 and the surrounding camps. Your continued refusal to remove machinery and other items also represents a hazard for our staff.

We are also aware that you have been conducting a documented press campaign which has been designed to undermine the Company and the BSGR Group. This is continuing to harm our business and we ask you immediately to desist.

In the light of these concerns we have instructed our lawyers to raise with the General Counsel of Rio Tinto our concerns over the significant disruption which these actions have caused to our business and you are hereby notified that to the extent that any loss or damage is caused by your actions, the Company will take robust action to protect its position and will avail itself of all available rights and remedies against you and the Rio Tinto Group.

Yours faithfully



Asher Avidan
CEO

S.A.R.L/N° FORMALITE : RCCM/GC-KAL/014.770/2006, N° ENTREPRISE/RCCM/GC-KAL/013.755A/2006 /
Siège Social: Villa Andre Toure, Coleah, Corniche Sud, Commune Matam, Conakry, République de Guinée
Code NIF 003365Y/ 8W. Boîte Postale: 6389, Conakry. Email gidoua@bsgr.com

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24 June 2009

Deborah Valentine
General Counsel
Rio Tinto Plc
5 Aldermanbury Square
London
EC2V 7H

Dear Sirs

Actions by Simfer S.A. ("Simfer") interfering with the operations of BSG Resources Guinée SARL ("BSG") in the Simandou region of Guinea

We have been instructed by BSG in relation to the above matter.

The purpose of this letter is to raise serious concerns over unlawful disruption caused to our client's operations in Simandou by Rio Tinto's Guinean subsidiary, Simfer. On the assumption that you have so far been unaware of events on the ground, we enclose the relevant correspondence between our client and Simfer. If you have been aware of these matters then please let us know.

You will see Simfer/Rio have made a number of vague and unsubstantiated allegations against our client and a number of other entities concerning mining concessions in Simandou. The allegations made by Simfer lack any factual or legal basis and are strongly rejected by our client. Our client also rejects the attempt to involve it in Simfer's dispute with the Guinea government.

Furthermore, the cause of this communication to you, is to seek to bring to an end the various dangerous and improper actions of your representatives in Guinea and the broad based smear campaign they have sought to orchestrate against our client. Before widening our response, we wish to give you the opportunity to investigate their actions and give effect to your stated objective to conduct group operations observing a high ethical standard and local laws.

SKADDEN, ARPS, SLATE, MEAGHER & FLOM (UK) LLP, A LIMITED LIABILITY PARTNERSHIP REGISTERED UNDER THE LAWS OF THE STATE OF DELAWARE, IS REGULATED BY THE SOLICITORS REGULATION AUTHORITY

A LIST OF THE FIRM'S PARTNERS IS OPEN TO INSPECTION AT THE ABOVE ADDRESS.

Rio Tinto Plc
June 24, 2009
Page 2

Our client strongly believes that it is in Rio Tinto's interest to take all necessary steps to control the actions of your subsidiary and group personnel in the region.

Yours faithfully

Skadden, Arps, Slate, Meagher & Flom (UK) LLP
Skadden, Arps, Slate, Meagher & Flom (UK) LLP

cc - David Smith - Simfer S.A., Corniche Sud, rue MA-500, Villa ex-Union
Européenne, BP848 Conakry, Republic of Guinea

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Skadden, Arps, Slate, Meagher & Flom (UK) LLP
40 Bank Street
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27 July 2009

Attention: Mr David Kavanagh

Dear Sirs

Guinea - Simandou

I refer to your letter dated 24 June 2009.

Suffice it to say that we disagree on all counts with the claims you make against Simfer and its conduct in Guinea. We stand fully behind our Guinean subsidiary and are confident it has acted consistent with Rio Tinto's high ethical standards and Guinean law.

We also disagree with your contention that certain (undefined) claims against your client are "vague and unsubstantiated". They lead me to question what your client may be relating to you and suggest that you would do well to investigate before descending into aggressive and unfounded attacks.

Finally, we reject your characterization of our relationship to the Guinean government. We believe we have worked well with the government and are committed to doing so going forward. We believe that developing our concession and realizing the great potential of Simandou is in the interest of the government, its citizens and Rio Tinto.

Yours sincerely



Debra Valentine
Group Executive Legal and External Affairs

N/R-544/BSGR/2009/mis

Mr Tom Albanese
CEO
Rio Tinto Plc
2 Eastbourne Terrace
London
W2 6LG

Conakry, 21 September 2009

Dear Sir,

Campaign by Simfer S.A. ("Simfer") to interfere with the operations of BSG Resources Guinée SARL ("BSG") in the Simandou region of Guinea

In view of the serious nature of the actions taken by your Guinea subsidiary Simfer in an effort to harm our commercial interests in Guinea and the failure of your organisation to respond thus far, we are forced to raise these issues with you in person.

As you will be aware, BSG is a leading natural resource company which has been awarded iron ore mining concessions in relation to Simandou Blocks 1 and 2 in Guinea.

Following the award of that concession, BSG has corresponded with Simfer (via Mr David Smith, its CEO) in relation to a number of unfounded allegations made by Simfer against BSG and a number of other entities concerning these mining concessions in Simandou. The allegations made by Simfer lack any basis and have been strongly rejected by us in prior correspondence – particularly in our letter to Mr Smith of 24 June 2009.

Our lawyers, Skadden, Arps, Slate, Meagher & Flom (UK) LLP, also wrote to your General Counsel on 24 June 2009 about certain actions taken by your personnel in Guinea. Unfortunately, the response of your General Counsel of 27 July indicated a failure to take the complaint seriously.

The failure to take control of your subsidiary's actions has led to a new and highly disturbing development in Simfer's campaign against our interests.

We are in possession of evidence showing that Mr Jordan Feildars of Simfer is engaging in an underhand and unlawful smear campaign against BSGR as well as against Mr Beny Steinmetz and others.

The evidence, which will be passed to the Guinea Government, includes a highly damaging and unfounded article drafted by Mr Feildars, which was designed to be printed and published and cause harm to BSG and Mr Steinmetz. There is also evidence that Mr Feildars is organising the allegations to be broadcast by a radio station.

BSGR

BSG Resources (Guinea) Limited

The article, drafted by Mr Feildars and then published at his instigation, sets out a prejudicial, unsupported and erroneous description of relations between Mr Ehud Olmert, the former Israeli Prime Minister, BSG and Mr Steinmetz, and purports to create a link with the corruption investigation relating to Mr Olmert.

The text prepared by Mr Feildars was reproduced in its entirety in a highly damaging article which appeared in L'Aurore, a Guinean newspaper, in edition 112 published on 7 September 2009 (copy attached). The article was also published on L'Aurore's web site and is, we have been informed, due to be broadcast by radio shortly as a result of Mr Feildar's efforts.

These actions evidence the active engagement of your representatives in Guinea in efforts to smear the reputation of BSG and damage its interests in Simandou, in furtherance of your own corporate interests. Indeed, the only basis on which your representative has procured the publication of these materials and is pursuing a campaign to expand publication is in an attempt to prejudice the perception of us in the region and our activities in Simandou – in the context of your own attempts to resurrect Simfer's activities in that region.

We have tried through legal channels to bring to your attention, and ultimately to bring to an end, the dangerous and improper actions of your representatives in Guinea which includes the broad based smear campaign orchestrated by them. The unfortunate response to date has been that you stand fully behind your Guinean subsidiary.

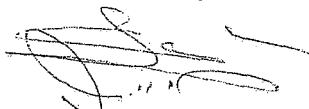
In view of Rio Tinto's failure to rein in its representatives in Guinea after earlier warning, we are forced to conclude that Simfer's continued misconduct enjoys the support of its parent company and those of its officers who are directly responsible for the region.

This defamation and continued unlawful interference with our operations will not be tolerated. We reserve all our rights to pursue all available options to protect our interests including bringing a claim against those responsible for significant damages.

In the meantime, we request that you provide your immediate written assurance that your representatives will ensure that no further publication or broadcast of the misinformation contain in Mr Fieldar's article will takes place – including by local radio – and that you will take control of your subsidiaries' actions and prevent further interference in our commercial activities in Guinea.

We hope you take this opportunity to respond appropriately while this remains capable of resolution outside of the public domain.

Yours faithfully



BSG Resources

cc. Mr Jan du Plessis, Chairman, Rio Tinto Plc.
Ms Debra Valentine, General Counsel, Rio Tinto Plc.

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Private and confidential

BSGR
BSG Resources (Guinea) Limited
PO Box 6389
Conakry
Republic of Guinea

12 October 2009

Dear Sirs

Mr. Albanese has asked me to reply to your letter of 21 September 2009, as I am responsible for correspondence of this kind.

Your letter refers to past correspondence between your company and Simfer, regarding Simfer's mining concession in Simandou. That correspondence and the events which actually took place speak for themselves and there is no need for me to go over this ground again.

Your letter goes on to make serious allegations against Simfer and one of its employees. You claim to be in possession of evidence in this regard. Since you have not shared with us the nature and content of such evidence, nor information as to how it was obtained, we cannot comment in any detail. I did, however, pass your allegations on to Simfer. After investigation, they have proved to be wholly unfounded.

I am puzzled as to why you would think it appropriate to pass evidence regarding your allegations to the authorities rather than to Simfer. Even assuming your allegations were correct -- which they are not - they would simply concern wrongful statements made by one private entity about another private entity.

In any case, you will understand that we are not in a position to give you any assurance in respect of matters for which neither we nor Simfer are responsible.

Lastly, please note that should you decide to make these allegations public, you would be entirely responsible for that action and its consequence.

Yours sincerely



Debra Valentine
Group Executive Legal and External Affairs