

First Witness Statement of Asher Avidan  
CWS-3

**IN THE MATTER OF AN ARBITRATION UNDER THE RULES OF ARBITRATION  
OF THE INTERNATIONAL CENTRE FOR THE SETTLEMENT OF INVESTMENT  
DISPUTES**

**ICSID Case No. ARB/I 4/22**

**BETWEEN:**

**BSG RESOURCES LIMITED**

**(Claimant)**

**-v-**

**THE REPUBLIC OF GUINEA**

**(Respondent)**

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**First Witness Statement**

**ASHER AVIDAN**

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I, **ASHER AVIDAN**, of Pinkas Street, 54\9 Tel Aviv, Israel, 62261 18, with date of birth 26 May 1962, will state as follows:

**A. INTRODUCTION**

1. I am an Israeli national and live in Israel. My native language is Hebrew, and I also speak English and French.
2. I make this statement in relation to the claim by BSG Resources Limited ("BSGR") against the Republic of Guinea. Save where I indicate otherwise, the facts and matters set out in this statement are based on my own knowledge and recollection.
3. I have prepared this statement in English with the assistance of BSGR's lawyers, Mishcon de Reya. I reserve the right, however, to give evidence in Hebrew should it be necessary to do so.

## **B. PERSONAL BACKGROUND AND RELATIONSHIP WITH BSGR**

4. I am currently employed by BSGR.
5. I have a BA in International Relations and Politics from the Open University in Israel. I also hold an MA and DEA (Diplôme d'études approfondies) for International Relations and Culture from the University of Paris 8.
6. I started working for the Ministry of Foreign Affairs and Security Services of the Government of Israel in August 1983. I was 46 when I resigned from the Ministry of Foreign Affairs and during the time I was there I had been in charge of the security of embassies in Africa, Middle East, Europe and elsewhere. When I left, I was the head of the Europe, Middle East and Africa department at the Ministry.
7. After 22 years in government service, I wanted to enter the private sector. I was keen on a change and the opportunity to work for BSGR came up. I heard through an ex-colleague at the Ministry that BSGR was looking for a project manager in Guinea. As I had some experience in West Africa, I decided to apply for the position, which I obtained.
8. I joined BSGR in June 2006 and subsequently moved to Guinea. Later I served as President of BSG Resources (Guinea) Limited SARL ("BSGR Guinea"), later called VBG Vale-BSGR Guinea, the local BSGR/Vale joint venture company. For consistency, I will refer to this entity throughout this statement as BSGR Guinea.

## **C. MY INTRODUCTION TO GUINEA**

9. I met Roy Oron (who was then BSGR's Chief Executive Officer) and Marc Struik (then BSGR's Chief Operating Officer (COO)) for the first time in Johannesburg in June 2006. They told me that they were starting a new project in Guinea. They told me that BSGR had only recently (in February 2006) been awarded exploration permits for commodities in regions called Simandou North and Simandou South. BSGR had also signed a Memorandum of Understanding with the Government of Guinea ("GoG") for that purpose.
10. They also told me that BSGR had three years under the exploration permits to explore the area. I was to become the project manager. Although I did not have any mining experience, I was an experienced manager and was used to delivering projects in challenging environments. My job was to manage the project, meaning that I had to engage contractors and employees. When I started however, my mining knowledge was really very limited: I did not know the difference between bauxite and iron ore, for example, and did not know what

a mining concession was. This was really a step into the dark for me, but my role was operational. Mr Struik and the team around him had the mining experience required. I spoke good French and enjoy working in challenging environments so was keen to do the job.

11. Two weeks after the meeting in Johannesburg, I went to Conakry, the capital of Guinea, with Mr Struik. We stayed at the Novotel which was the 'business centre' of Conakry. Mr Struik introduced me to Frédéric Cilins and Ibrahima Touré, who were apparently working together at the time and had been assisting Mr Struik. Mr Touré was a journalist. He had very good contacts on the ground throughout Guinea and knew lots of people in business, politics and mining. Guinea is a very complex place for a foreigner in terms of outlook and traditions. Having Mr Touré on board, a bright Guinean who acted as an advocate for BSGR, helped us a lot.
12. Mr Cilins told me that he had introduced BSGR to Guinea and he had assisted Mr Struik in establishing contacts and in dealing with a range of planning practicalities for the setting up of BSGR's offices. I think Mr Cilins had been in Guinea since the beginning of 2005. It was not a good meeting, however: Mr Cilins kept talking about "*his project*" and that "*he brought us over*". Mr Struik was put out by these comments as he had been managing the project until my arrival. Mr Cilins had been helping Mr Struik on the ground in Guinea because he spoke French and therefore was the one who spoke to the locals on Mr Struik's behalf.
13. When I arrived in Guinea we started work on setting up the office and obtaining the necessary office equipment, and Mr Cilins assisted with this. He also initially helped us with hiring staff, and sat in on some of the interviews we conducted. However, it soon became clear that as I spoke French and could therefore speak to the locals myself, he was needed less and less, and that I could manage the project without him. At some point towards the end of 2006, I returned from the field and found Mr Cilins in the BSGR office uninvited and on his own. I was upset to find him there unaccompanied by anyone from BSGR, and felt he had crossed a line. Following that I told Mr Cilins that BSGR did not need him anymore in Guinea. Considering that it had been clear for some time that he was not really needed by BSGR anymore, Mr Cilins did not make a fuss about this or try to fight it. He suggested that I discuss it with Mr Oron, which I did, and then following that Mr Cilins stopped doing anything further for BSGR. I was aware that he continued coming to Guinea for other business he had there, but he never came to see us on these visits.
14. When I arrived in Guinea and met Mr Cilins, I only knew of him as an individual and did not realise he was part of a company called Pentler Holdings Limited ("Pentler") with others. I

did not know that BSGR had signed any agreements with Pentler and did not find out about this until later, I think in 2007. I cannot remember exactly how I found out about the existence of Pentler, but suspect it was as a result of ongoing conversations with Mr Struik. I now know that Pentler was granted a 17.65% shareholding in BSGR Guinea in March 2006. Later, in 2008, I was aware that BSGR entered negotiations to buy Pentler out as shareholders of BSGR Guinea. I thought that this was a good idea – I did not see why Pentler should still own a part of the company considering they were no longer any part of the project. I was, however, not very much involved in these negotiations. I was also aware, from general internal discussions, that there was a dispute between Pentler and BSGR in 2009 about payment for their shares. I was not involved in the detail of this dispute, although I saw and commented on some of the early correspondence relating to it.

15. My main contact from the beginning was Mr Struik, to whom I reported because he was the COO at the time. He became CEO after Mr Oron left at the beginning of 2007. I probably saw Mr Oron twice in Guinea in 2006. He was based in Johannesburg, like Mr Struik. Mr Struik, however, was very much more involved in the project in Guinea and visited often.

#### **D. THE PROJECT IN GUINEA**

##### **Exploration of Simandou North and South**

16. The project was not only my job, but I believed in it as an endeavour that had the potential to be extremely remunerative and also transformative for a country that had been blighted by bad luck, terrible governance and corruption. Mr Struik was in charge of all mining and technical issues. I was in charge of the operational side of matters and that included running a commercial infrastructure in a very under-developed environment, selecting and managing suppliers, liaising (together with Mr Struik) with the government, undertaking recruitment and generally ensuring that the project was able to run as smoothly as possible. We threw ourselves into the project completely and I am extremely proud of what we achieved.
17. In the early days not a lot of attention was given to Guinea by BSGR or Beny Steinmetz. My feeling was that it was one of several projects in development and that until we (i.e. the local team) had undertaken preliminary investigations, it was not a top priority for the business. Despite (or maybe because of) this, costs control was strict and I was responsible for that and for reporting back to head office. Mr Steinmetz was not centrally involved until I had been there for about 18 months and we had made good progress. From around the middle of 2007 he became more involved in what was going on in the project on the ground, and he started travelling to Guinea from the beginning of 2008 onwards. It was only

then that I got to know him.

18. When I joined BSGR it had already been granted the exploration permits for Simandou North and South on 6 February 2006<sup>1</sup> and had signed a Memorandum of Understanding with the Guinean government on 20 February 2006<sup>2</sup>. BSGR had also been granted 13 exploration permits for bauxite in April 2006. Just after I arrived we submitted the exploration programme for Simandou North and South to the CPDM and the Minister of Mines and started working in earnest in August 2006 in Simandou North. We also started with the exploration in Simandou South as we had to get on with the project and deliver monthly reports to the CPDM about our progress. At the time, we were mainly looking for Uranium in Simandou South (although the exploration permits we had been granted were only granted in respect of iron ore). Instead of Uranium, we discovered iron ore in Zogota, which was part of Simandou South.
19. After we had discovered iron ore, we informed the head of the CPDM, Ibrahim Khalil Soumah, about it. The discovery was a big deal in Guinea and in the world, and it was covered by the media at the time. Until then I had no idea how important iron ore was to the world. We had discovered a green field area, which, if it had been closer to the sea, would have been one of the best deposits of iron ore in the world. However, as it was located in such a remote area, technical and infrastructural solutions had to be found to export the iron ore.
20. Mr Soumah was a nice, honest and decent guy. He had been in charge of the CPDM for more than 15 years and, during my time in Guinea, I developed a good relationship with him. It was through him that I learnt more about Rio Tinto's poor reputation with the government. He told me that the government was keen on getting smaller companies, like BSGR, into Guinea in the hope that they would be more active. The CPDM also had a supervisory and controlling function. The CPDM surveyed the companies on the ground and expected monthly reports on the status of various projects. BSGR always complied with these requirements for all of its projects.

### **Bauxite permits**

21. BSGR had been granted 13 bauxite permits in April 2006. I was not involved in the application process. As far as I was informed, BSGR was encouraged to apply for these

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<sup>1</sup> Exploration permits for Simandou North and South dated 6 February 2006 (Exhibit C-0004) and (Exhibit C-0005).

<sup>2</sup> Memorandum of Understanding between BSGR and Government of Guinea dated 20 February 2006 (Exhibit C-0009).

permits because the President wanted companies to start investing in the Northern part of the country near the border with Mali. CVRD, Vale's subsidiary in Guinea, and Mitsubishi were our neighbours and also held bauxite exploration licences in these areas.

22. My first field trip together with Mr Struik was in relation to the bauxite permits. We went to visit the local communities in order to introduce ourselves according to local traditions. In total we visited five prefectures with 25 local villages where we handed over "kola". "Kola" is a nut. The tradition is to hand over a basket with some of the nuts together with some money. The value was about \$50. It is a simple token. After that, we were invited to eat with them. We also helped locals who were involved in a car accident on the way back to Conakry. We did not think that helping locals who had been involved in an accident was anything out of the ordinary, but it turned out that it was unusual for foreigners to do that sort of thing. In any case, this story was big news in Conakry.
23. It was certainly beneficial to BSGR's reputation that we had undertaken these efforts to visit the local communities, which Mr Touré told us to do. He was right, and BSGR became a popular company among the Guineans. The President told me in one of my meetings with him that he was impressed by our efforts to connect with local communities. He told me that he had received a delegation from one of the villages near our bauxite permits and they had said how pleased they were with the work BSGR was doing and how well we worked with the local community. As we were, as far as I am aware, the only foreign company to make these efforts, we were probably better regarded because of it.
24. From the end of 2006 or beginning of 2007 until late 2008, we also invested significant effort, time and money into the exploration of the bauxite permits. We drilled thousands of metres to reach the bauxite. Geoprospect, one of our contractors, was working on the bauxite site at the time. We also had some geologists on the ground. Even though we were progressing, we then decided to wait before we performed further exploration work until we had found a transport solution for the bauxite. We hoped that someone like CVRD (Vale) who was in the same position would continue developing this area and find the transport solution and that we could then develop it with them. In the end, we handed back the bauxite permits in July or September 2009 and concentrated on Simandou South, in particular, Zogota.

#### **The granting of the exploration permits in Simandou blocks 1 and 2 to BSGR**

25. Right from the start, I was aware that at least some of Rio Tinto's blocks in Simandou might become available, and that, if they did, BSGR would apply for them. This was first explained

to me before I even got to Guinea when I met with one of the geologists on the project in South Africa. He explained to me what BSGR had in terms of rights in North and South Simandou as well as what we knew of the geology of the rest of the area. He explained that blocks 1 to 4 of Simandou were held by Rio Tinto and were thought to potentially hold extremely valuable reserves of iron ore.

26. Mr Struik also explained to me when I arrived in Guinea that the position of Rio Tinto was precarious because they had done very little to progress any work in blocks 1 to 4. Mr Struik explained to me that, should the opportunity arise, we would be interested in exploring these areas – particularly blocks 1 and 2 which bordered on our Simandou North area.
27. In addition, there was a lot of talk from other mining companies, from Guineans who were involved in mining, and even from the GoG itself that Rio Tinto would lose its rights over Simandou as a result of its inaction. As I became more familiar with the project itself and what we were doing in Guinea, and developed relationships with those involved in mining in Guinea, I began to have a better understanding about how much iron ore there might be in the other blocks in Simandou. Of course we were keen to make sure that BSGR was first in line should those blocks become available, and it seemed to me, from all the talk about Rio Tinto and how unhappy the government was with them, that this was likely to happen one day and perhaps sooner rather than later.
28. In 2007, the Ministry of Mines suddenly started to look closer into the performance of the foreign companies who had exploration permits in Guinea. This sudden interest was part of a national resources movement ("*use it or lose it*") that took place in other African countries as well. I recall several meetings in which the Minister of Mines invited all companies and asked them in detail about their operations and their progress. Rio Tinto attended these meetings as well and got a hard time from the government in them. I remember at one of them, the head of the CPDM asked Rio Tinto what progress they had made, heard what Rio Tinto had to say and then went off on a very long tirade about how little they were doing and how unhappy the government was with their work. This was in front of all the other mining companies so it was obvious to everyone, not just us, that Rio Tinto's rights were becoming ever more precarious.
29. Simandou North, where we had three exploration permits and where we had also built one of our camps, was very close to Rio Tinto's blocks 1 and 2. When I visited Kérouané in summer 2006, I could not believe that after Rio Tinto being in this part of the country for more than 10 years, there could still be so much poverty in the area. The prefect, mayor

and the Imam all complained to us about Rio Tinto. They said that they were trying to put pressure on the government to strip Rio Tinto of its mining rights.

30. The fact that Rio Tinto's rights were thought to be in jeopardy was supported by what I discovered Rio Tinto had, or more accurately, had not, done. I could not believe that Rio Tinto had not built a road between Kankan, which is the main Northern city with a small airport, and Kérouané. Without a proper road the journey took between seven and nine hours. With a road it would only be about 40 minutes. It was essential for any company working in this area to have built this road in order to facilitate the work process and the delivery of huge machinery and equipment into the area. Building a road was one of the first things we did after we arrived. Not only did we build roads, but also a cultural centre, a police station and a school in Kérouané. It was important to take care of the local communities as a foreign investor. Not only was it part and parcel of what was expected of us, but we were happy to do it both for pragmatic and social reasons. Some of what we built remains in place now.
31. When I learnt about the local community's frustration with Rio Tinto, I was even more convinced that these exploration areas would become available one day. BSGR therefore prepared to apply for the exploration permits. We decided to focus on blocks 1 and 2. We had started the preparation almost a whole year before they actually became available in 2008. It seemed that there was enough chance that Rio Tinto would lose its permits to warrant us investing the time and limited expense in getting ourselves ready.
32. Whilst we did not advertise the fact that we were doing this, I did not keep it quiet either and would mention our interest in meetings I had with people influential in the industry and officials. In my regular meetings with the Minister of Mines, the President and the Prime Minister, I repeatedly explained the work that we were doing in Simandou North and South, and said that if Rio Tinto's blocks came up we would like to apply for them. Indeed, from late 2007, until he died in December 2008, I saw President Conté about seven or eight times - about once every couple of months - so that BSGR was always on his radar. I told Mr Struik that I was convinced that the blocks were going to be taken away from Rio Tinto and that I was going to prioritise conversations about blocks 1 and 2 with people of influence. I told Mr Steinmetz this too. By doing this, I hoped to keep BSGR foremost in the decision-makers' minds when the time came to make the application. Mr Struik and I discussed many times that we would apply when the government took the rights away from Rio Tinto. I also discussed this with others, such as Tania and Mr Touré. I believe I also told Ms Touré (Mr Touré's half-sister) that this was what we planned to do in one of my

meetings with her and I will expand on this interaction in section G below. Generally speaking, we were keen to position ourselves so that we would be the natural candidate should those blocks become available.

33. It was in July 2008 that the government stripped Rio Tinto of its mining concession in all four Simandou blocks. What finally triggered the government's decision was, I think, the hostile takeover attempt of Rio Tinto by BHP Billiton. When BHP Billiton tried to take over Rio Tinto, Rio Tinto had to disclose the true value of the iron ore areas it had been sitting on for the last decade, which was much more than what it had told the GoG. The government obviously felt cheated and decided to revoke Rio Tinto's mining rights. The government made their position clear on this in one of the meetings with all the mining companies: they were extremely annoyed with Rio Tinto for disguising the true value of the iron ore in blocks 1 to 4 and publicly told them so. Rio Tinto had been granted mining rights in blocks 3 and 4 without having ever submitted a feasibility study as required under the Mining Code.
34. Eventually, after increasing tension between Rio Tinto and the government, Rio Tinto's rights were removed in July 2008. We filed our application on 5 August 2008 to the CPDM.<sup>3</sup> This letter refers to our application which was dated 17 July 2007. I believe this is a typing error – the application we made, as far as I remember, was the month before, in July 2008. The reason we applied for blocks 1, 2 and 3 was because we understood from what the government had been saying that Rio Tinto had not done any work in blocks 1, 2 or 3 and therefore felt that those blocks were most likely to be permanently removed from them. It was also an opening gambit: if we went in asking for three blocks, and came away with two, we would be pleased with that result.
35. We were not the only company who applied for the exploration permits. A Canadian company called AfriCanada also applied and I believe that a Chinese company also made an application. I do not now know which one and have not been able to find anything in my records to assist me. The big players, such as Chinalco or Vale, did not apply for the permits. Vale was in the country and it must have known about the potential assets Rio Tinto was sitting on. I was surprised that we only had to compete with two other small companies and that none of the giants joined the application process. I think this was helpful for us because we were, in comparison to the other two companies at the time, much better established and known in Guinea. We had also improved our chances of winning because of the discovery of iron ore in Zogota.

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<sup>3</sup> Letter from Asher Avidan of BSGR to the Minister of Mines Louncény Nabe dated 5 August 2008 (Exhibit C-0098).

36. As we had competitors, we had to go through an application process in which we had to prove our financial and technical capabilities to perform the exploration work. An Inter-Ministerial Committee was in charge of the process. This committee was made up of ministers themselves, rather than officials from their departments – I think the committee included the ministers for mines, finance, infrastructure and environment but there may have been more. The Mining Minister at the time was Lounceny Nabé, with whom we mainly dealt. The President was not involved at all. He was already very ill at that time.
37. Minister Nabé concentrated mainly on BSGR's capacity and whether it had the money to carry out the work that would be required. From memory I believe that during the process, we drew the committee's attention to clause 3.2.2.7 of the memorandum of understanding we had signed with the GoG in 2006. That clause gave BSGR the right of first refusal over any blocks in the Simandou area that became free. The Ministry of Mines did not have any record of the memorandum of understanding – the record keeping in government departments in Guinea (as well as elsewhere in Africa) is not at all good. When each minister leaves a department they usually take all the documents relevant to what they did with them, leaving their successor with nothing. In between the signing of the memorandum of understanding and December 2008 there had been four different ministers for mines, and it was therefore not surprising that the current Ministry of Mines was not aware of the memorandum of understanding when we came to this process in 2008. Once we had pointed it out, I do not believe it was persuasive for the committee. It may have been a factor that was considered in relation to our application but I did not get the impression that it was a dominant or particularly influential aspect. Minister Nabé was much more interested in how BSGR intended to carry out the work in new areas and whether we had the funds to do it.
38. After a long application process, in which dozens of letters were exchanged and a number of meetings took place with ministers as well as inter-ministerial meetings, BSGR was finally successful and was granted the exploration permits for blocks 1 and 2 on 9 December 2008<sup>4</sup>. It was a big achievement and the last day of the Inter-Ministerial Committee's discussions, in which the permits were granted, was broadcast live on Guinean TV. I believe it was broadcast because the government wanted to show the people that it had conducted an open and proper process.
39. I am aware that BSGR has been accused by the Respondent of acquiring the exploration permits in Simandou blocks 1 and 2 through illegal means. This is not true. We did not take

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<sup>4</sup> Decree No. 2008/4980/MMG/SGG dated 9 December 2008 (Exhibit C-0010).

any unlawful steps in applying for the exploration permits. BSGR was granted the permits through its hard work, the quality of its application and its obvious commitment to the country since its arrival in 2006.

40. BSGR was a relatively small company when it arrived in Guinea. In comparison to Rio Tinto and Vale, who were global players, it was not very well known in the mining industry at the time. In contrast to the big players, however, we took our projects in Guinea very seriously. We knew that if we wanted to be successful in Guinea, we had to demonstrate that we were capable of developing the projects and that we had the financial and technical capabilities to perform the exploration work. BSGR worked very hard with several consultants and sub-contractors as Mr Struik describes in detail in his witness statement.
41. The CPDM, the President and the Minister of Mines, all of whom monitored us since the grant of our exploration permits in 2006, were satisfied with the progress of our exploration programme in Simandou North and South and in particular in Zogota. We gained substantial trust among the people in charge at the time and within the local communities because BSGR showed real commitment to advancing our projects and made an effort with the local communities. At the time of the application for the exploration permits in Simandou blocks 1 and 2, we were also already working on the feasibility study for Zogota, which we actually finalised in November 2009, becoming the first mining company in Guinea ever to do so. I will talk about this below.
42. By this time (mid-2008) we had also built up valuable contacts and support through our engagement in the local communities. BSGR demonstrated that it was not only serious about its project, but also about its social responsibilities. We had engaged with communities and financed infrastructure projects. We had gained a good reputation as a reliable mining company in Guinea. The President trusted us, as did the Minister of Mines and the CPDM. While the President's support was important, it was not his decision alone to grant us the exploration rights.
43. Of course Mr Struik, Mr Touré and I tried to promote BSGR as best we could to improve our chances of getting the exploration rights in Simandou blocks 1 and 2. To this end, I met the President, the Prime Minister, the Minister of Mines and people from the CPDM. The local communities supported our efforts in this regard and would, at our request, go to Conakry to tell the ministers that they appreciated having us working with them and that they thought BSGR should be allowed to expand its interests in Guinea. But we did not bribe anyone or otherwise make corrupt payments in relation to this application, or any other.

44. Quite apart from the fact that mining companies such as BSGR wanted to have good relations with government, the government also wanted to have good relations with mining companies, including BSGR. If one considers the huge sums of money invested in the projects on which mining companies were working, the level of that investment in comparison to the GDP of Guinea, and the potential benefits that those projects would bring to the country, it is entirely unsurprising that mining companies had good access to and relationships with the government. The US\$160 million that was invested between 2006 and 2010 constituted an investment representing 5% of Guinea's GDP in 2006.<sup>5</sup> If a company was planning to make an investment that consisted of 5% of any country's GDP, they would of course have access to and a relationship with the relevant ministers, including the President and/or Prime Minister. Both sides would view the relationship as essential to making sure the project worked properly. It was therefore to be expected that the GoG was interested in maintaining a dialogue with the mining companies that were working in the country. In many African countries, including Guinea, access to ministers and civil servants was gained by simply waiting outside their offices – often for several hours or even days – to obtain a short meeting. It was common in Guinea to see 20 or 30 people waiting outside an official's office.
45. Arranging these meetings was no great secret, nor did it require any great skill. I mostly arranged them myself, by contacting the secretary of the minister in question. In the case of the President, I arranged these meetings by contacting his head of security or his secretary general's office. Sometimes Mr Touré helped me to arrange these meetings, including occasionally the meetings I wanted with the President. Mr Touré assisted because it was more effective for me to take a Guinean national to the government offices when arranging meetings because, as a non-Guinean, and particularly as a white man, I was less likely to be offered a meeting. I therefore took Mr Touré with me because he was Guinean. In addition, sometimes it was necessary to sit outside the minister's office for hours on end in order to get a meeting. As I explain above, it was not unusual to see rooms full of people waiting all day for a meeting with one minister. When necessary, Mr Touré would wait and then let me know when I could see whichever minister it was. Having someone like Mr Touré on board was not unusual, it was essential – all the mining companies had local people who worked for them for the same reasons, including the very big companies like Rio Tinto.

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<sup>5</sup> Guinea World Bank data showing Guinea's GDP in 2006 at US\$2.821 billion ([www.databank.worldbank.org](http://www.databank.worldbank.org)) (Exhibit C-0099).

### **The government of Captain Moussa Dadis Camara**

46. After we had been granted the exploration permits, we were not immediately able to commence working on blocks 1 and 2. After President Conté died at the end of December 2008, Rio Tinto tried to have the decision to withdraw its mining rights reversed under the new military regime of Captain Camara. As far as I am aware, the new Minister of Mines, Mahmoud Thiam, did investigate why and how Rio Tinto had lost its mining concessions and came to the conclusion that the withdrawal was justified.
47. So far as our exploration permits were concerned, I was told by Mr Thiam, that Rio Tinto apparently tried to present BSGR as a corrupt company. The government did not believe this. The new government investigated, and did not reverse its decision to grant us the exploration permits. In fact, Mr Thiam confirmed the validity of the exploration permits granted to BSGR on 5 May 2009.<sup>6</sup>
48. While these discussions were going on, Rio Tinto tried to block BSGR's access to blocks 1 and 2 and disrupt its work there. Rio Tinto's actions were very childish and we needed the assistance of the government to stop them.<sup>7</sup> It took until May 2009 before we could actually get started with the drilling. Once we got started, we quickly realised that there was a great amount of good quality iron ore in the ground. It was fantastic to be reassured that we had made the right decision. We also quickly realised that the scale of the project would require us to find a partner to develop blocks 1 and 2.
49. After President Conté died and Captain Camara took power, I was obviously concerned to ensure that BSGR maintained good relations with the new government. I managed to organise a meeting with Captain Camara very soon after he took office. The meeting was generally positive – I sought to impress upon Captain Camara the work that BSGR had done in Simandou North and South and how we hoped to replicate that in blocks 1 and 2 and he seemed to agree that we must be allowed to get on with it. He was familiar with the project and keen on it because Zogota was close to the village which he came from. He did, however, insist that no iron ore should be transported through Liberia, which was a crucial part of the Zogota and Simandou projects, and without which they would not be economically viable. I tried to explain this to him in our meeting but he insisted that Mr Steinmetz should come to Guinea to discuss it with him. Captain Camara said that in three days he would call a meeting for all the mining companies, and that Mr Steinmetz should

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<sup>6</sup> Certificate of validity of Permit No. 2008/I-4980/MMG/SGG dated 5 May 2009 (Exhibit C-0013).

<sup>7</sup> Letter from the Minister of Mines to Rio Tinto dated 26 June 2009 (Exhibit C-0100) and letter from the Secretary General to Simfer S.A. dated 14 July 2009 (Exhibit C-0097).

attend in order for BSGR to keep its permits.

50. I contacted Mr Steinmetz and urged him to come to Guinea for this meeting, which he duly did. I also attended this meeting, which was held in a large auditorium in Conakry. This was quite an event, with roughly 2,500 people there including representatives from the other mining companies, government officials and diplomats. At the meeting, Captain Camara unexpectedly asked some representatives from mining companies, including Mr Steinmetz, to speak to the crowd. Mr Steinmetz accordingly spoke and explained BSGR's capabilities and ability to progress projects quickly. Captain Camara asked Mr Steinmetz in front of everyone whether BSGR would build a trans-Guinean railway, to which he answered yes. I think at the time, both Captain Camara and the crowd understood that railway commitment to be for carrying iron ore, but in actual fact this later turned into BSGR committing to build a passenger railway as a gift to the Guinean people.

#### **Mahmoud Thiam, Minister for Mines**

51. Mr Thiam was appointed as Minister for Mines in January 2009. I, and BSGR generally, had a good working relationship with Mr Thiam. My impression was that he liked us and I think he appreciated that we had done more with our exploration rights than others would have done. I never felt that he was closer to us, however, than he was to any other mining company. When Rio Tinto complained to him about how BSGR had obtained blocks 1 and 2, he investigated what they had to say, which included investigating allegations of corruption against BSGR. He concluded that BSGR had obtained those exploration rights properly.
52. I approached Mr Thiam and discussed BSGR's work with him as I did with all the other ministers that I saw, and as I did with both previous and later Ministers of Mines. I always tried to make visits to the key ministers at least once a month, and he was no exception. I did not tend to email or call him. If I needed to correspond in writing I did so via letter. Because of his more Westernised background, Mr Thiam did things differently to other ministers – he was slightly less formal in his relationship with me than other ministers were. I visited his house a couple of times, and we had lunch together maybe three times.
53. I understand that in its letter of 30 October 2012 (the "Allegations Letter"), the Respondent, through its Technical Committee, alleged that Mr Thiam, once he became Minister of Mines, promoted BSGR's interests, including by distributing funds to other

government officials.<sup>8</sup> The Technical Committee also asserted that Mr Thiam had, in exchange for his assistance, received numerous gifts and financial benefits from BSGR.<sup>9</sup> Although as I understand it, these allegations are not strictly relevant to these proceedings on the basis that they are not specifically included in the allegations that the Respondent finally relied upon in its unlawful revocation of BSGR's rights,<sup>10</sup> for the record I would like to make clear that I never offered any payments to Mr Thiam in order to distribute them among government officials, or at all, and I am not aware that anyone else from BSGR ever did either. The only time we ever paid government officials was during the negotiations of the Base Convention. Each member of the committee, which was established by the Minister of Mines, received a daily allowance which was set by the chairman of the committee. We also provided the food for lunch each day. This was considered to be normal practice and was requested and controlled by the Minister of Mines. I am not aware that BSGR ever provided Mr Thiam with gifts or that he received financial benefits. The only thing we did was to sponsor conferences and to invite ministers to events abroad from time to time for which we would pay for their travel. This is, however, not unusual and was also done by other companies. Indeed, during the military government of Captain Camara ministers asked mining companies and others for help paying travel costs very regularly because the government was poor and ministers had no budget on which to travel should their roles require it.

54. Indeed, ministers and the local geologists working on the various mining projects on behalf of the government often sought assistance even with travel within Guinea from the mining companies, which of course had off road vehicles capable of dealing with the difficult rural terrain as a matter of necessity. BSGR kept a fleet of about 50 land cruisers for internal travel, as these vehicles were the best, and sometimes the only, way of getting to the rural mining areas. Sometimes, upon request, we would let ministers, the government's geologists who were working on our project or the President's office use these vehicles. Mostly, they were used by government geologists. There was a requirement in Guinea that for every foreign geologist each company hired, they also had to hire one or two geologists from the Ministry of Mines or from the President's Office. These local geologists had to have the same facilities as the foreign ones, including access to the vehicles and accommodation. Their salaries were fixed by the government and paid direct to the Ministry of Mines.

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<sup>8</sup> Letter from Technical Committee to BSGR Guinea dated 30 October 2012 (the Allegations Letter) (Exhibit C-0054), p.7, paras 22 to 24.

<sup>9</sup> *Ibid.* para 23.

<sup>10</sup> Although in its report dated 21 March 2014, the Technical Committee makes some vague mention of BSGR offering financial compensation, gifts and granting advantages to "*Guinean authorities*" and "*others who contributed to the positive outcome*" (see Letter from the Technical Committee to BSGR Guinea dated 28 March 2014 and enclosures, (the "Technical Committee Report"), (Exhibit C-0064), paras 21 and 27.

### **The completion of the Feasibility Study**

55. In January 2009, our exploration permits for Simandou North and South expired. I filed, on behalf of BSGR, a request for the renewal of the exploration permits to the CPDM together with a proposal to retrocede (as was required by the Mining Code) half of the exploration area.<sup>11</sup> We proposed the retrocession of 50% of Simandou North and 50% of the Simandou South permit. This was granted in June 2009.<sup>12</sup> During this delay, work continued on the ground. We were confident that the government would deal with our application in a straightforward way because what we had suggested in terms of retrocession was both fair and straightforward.
56. While we were still deprived of access to blocks 1 and 2, we worked hard on the Definitive Feasibility study (“DFS”) in Zogota. Mr Struik supervised the technical team. We had two drilling companies and more than 10 Russian geologists who, together with our in-house geologists and experts, worked on the DFS. We had a laboratory in Johannesburg, where we sent the samples to be analysed. I was in charge of the logistical and operational side of the project, which included building camps, supplying food and organising the required equipment.
57. In July 2009 our permits were suspended because there was, allegedly, an environmental evaluation that we had not completed and we were accused of polluting a nearby river. These explanations from the Minister of Environment were not the real reason that work had been stopped, however. One day, I think towards the end of June or beginning of July 2009, I got a call from Papa Koly Kourouma then the Environment minister, who asked why BSGR had not paid him, because everyone paid him. He essentially said that BSGR owed him a bribe. I explained that BSGR did not owe him anything, and that we were working legitimately in our areas. Shortly after this, Mr Kourouma came to one of our camps on one of Rio Tinto's helicopters. He told us that we had polluted the water of a nearby river. BSGR exchanged letters with the environment ministry, and I instructed experts to test the water. They found nothing, but none of our reports helped. In the end we compromised by BSGR making a payment to the environment ministry (rather than direct to Mr Kourouma himself, and for which I demanded a receipt<sup>13</sup>) and we built a sand wall between our camp and the river. Work was disrupted during this time. On payment in October 2009 we were able to recommence work and the formal decree lifting the suspension was made.

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<sup>11</sup> BSGR request for the renewal of the exploration permits dated 21 January 2009 (Exhibit C-0101).

<sup>12</sup> Decree No. A 2009/1327/PR/MMEH/SGG dated 10 June 2009 (Exhibit C-0012).

<sup>13</sup> Confirmation of BSGR payment from the Environment Ministry dated 14 October 2009 (Exhibit C-0102).

58. On 16 November 2009, we submitted the DFS for Zogota to the Ministry of Mines, where it was reviewed. After the Ministry of Mines decided that the DFS was complete, the Minister of Mines established a committee for the technical examination of the DFS and the negotiation of a Base Convention which I think, from memory, was formed almost immediately. I distinctly remember that in the middle of the negotiations Captain Camara was shot – this happened on 3 December 2009 and we had definitely been in negotiations for some time at this point. The committee had therefore been working for some time before Mr Thiam signed the formal decree which created it on 1 December 2009.<sup>14</sup> The Base Convention was the legal framework for granting mining concessions. It was signed on 16 December 2009. Mr Struik and I sat in these meetings with the committee for the last two weeks of it in order to negotiate its terms. We literally had the convention on a screen and were typing it up as we went. Mr Struik covers this in some detail in his statement. I have read his statement and have nothing to add to what he describes.
59. It is difficult to overstate the extent of this achievement. The DFS we submitted was a huge leap forward for Guinea and its natural resources sector, which, despite being generally acknowledged to be rich, had failed entirely to be exploited in any meaningful way. It was a massive and expensive undertaking that was examined in the closest detail by the committee. Nothing was certain but we were the first mining company ever to have undertaken such an extensive study and to want to commit to Guinea in such a way. It was a world class exercise that succeeded on its merits.

## **E. JOINT VENTURE AGREEMENT**

60. In February 2010, it became apparent that Vale S.A. ("Vale") was very keen to become our joint venture partner. We had just signed the Base Convention in December 2009 and had already been working on the exploration of Simandou blocks 1 and 2. Vale told us that they were impressed by the progress we had made in negotiating the Base Convention. It is important to understand that one of the major problems of developing Simandou was the lack of a transport solution. We had managed to get the government to agree to a transport solution through Liberia, which was crucial to the commercial viability of the project and made it very attractive to a potential investor. At the time Vale came on board, a total of \$160 million had already been invested in the projects.
61. On 22 February 2010 we signed a Confidentiality Agreement with Vale and called the project "Project Hills". Vale immediately started their due diligence exercise. Vale completed the due diligence exercise within a few weeks. I cannot recall that there were

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<sup>14</sup> Decree No. A 2009/3466/PRG/SGG/MMEH dated 1 December 2009 (Exhibit C-0015).

any significant problems raised. We provided all the information that was available about the project and answered every question they had, to their apparent satisfaction.

62. On 30 April 2010, Vale and BSGR concluded the joint venture agreement. The terms of the deal included that Vale would pay BSGR a total consideration of US\$2.5 billion for a 51% share in BSGR Guernsey. However, only \$500 million of the consideration was paid on 30 April 2010: the remainder was conditional on milestones in the project being reached, which BSGR Guinea was ultimately prevented from achieving, as I discuss below.
63. Following the joint venture being concluded, in May 2010 I became the President of BSGR and ceased to be country manager for Guinea. Initially, I worked on the handover and assisted in ensuring that the new BSGR Guinea company was run as smoothly as possible on the ground. After that I worked on other BSGR projects in, for example, Nigeria, and was also involved in assisting BSGR Guinea to work towards the signing of an Investment Development Agreement ("IDA") for the Liberian transport solution. I left Guinea in around October 2010, however, I maintained my connections with Guinea and those I knew there and I continued to visit occasionally.

## **F. CONDÉ'S REGIME AND THE OBSTRUCTION OF BSGR GUINEA'S MINING AND EXPLORATION RIGHTS**

### **Condé's obstruction of BSGR Guinea's works**

64. When President Condé was elected in December 2010, Mr Steinmetz, Roger Agnelli (the then CEO of Vale) and I arranged a meeting with him. I remember that we saw him just after his brother had died, which happened very shortly after he came to power. It was a friendly meeting at which we discussed the death of President Condé's brother and the work we had done on our project in Guinea. Even then, however, I sensed that President Condé was more interested in speaking to Mr Agnelli than to Mr Steinmetz or me.
65. Despite this initial friendly meeting, following the election of President Condé there was an almost immediate change in attitude on the part of the new administration towards BSGR Guinea and the GoG sought to suspend the execution of all BSGR Guinea's works through various means. This occurred over eighteen months before the formal commencement of the review process by the Allegations Letter dated 30 October 2012.
66. In February 2011, I was one of a delegation of BSGR and Vale personnel that attended two meetings with President Condé. With me was Ricardo Saad (of Vale) and Mr Touré (who still worked for BSGR Guinea). During those meetings, President Condé proposed that

BSGR make a payment to him of \$1.25 billion and threatened to halt the building of the Trans-Guinea railway and withdraw the consent to exporting iron ore through Liberia if we did not pay.

67. The \$1.25 billion request was calculated based on President Condé's misunderstanding of the joint venture agreement with Vale which he interpreted as comprising a payment to BSGR of \$2.5 billion up front. It was on that basis that he sought a payment of \$1.25 billion to himself. I went back to speak to Mr Steinmetz and others about the proposal and it was obviously and quite properly rejected by both BSGR and Vale.
68. In addition, President Condé refused to sign the memorandum of understanding regarding the rehabilitation of the Trans-Guinea railway in advance of his new Mining Code being issued, notwithstanding that BSGR Guinea had submitted a comprehensive feasibility study in relation to the works and had committed in the Base Convention to completing 50% of the construction by the end of 2012. He did however agree to attend a ground-breaking ceremony to celebrate the start of works on the railway.
69. It was at this ground-breaking ceremony that President Condé made public his feelings about BSGR. In response to a question about the Liberian transport solution, President Condé stated that all mining production from Guinea should be exported from a Guinean port.<sup>15</sup> Yet, exporting through Liberia was a fundamental aspect of the Base Convention and indeed negotiations with the Liberian government as to the terms of the IDA for the transport route were in an advanced stage.
70. I attempted to repair President Condé's apparent ill feeling towards BSGR and on 14 March 2011 I wrote to President Condé to explain the works being undertaken in Zogota and blocks 1 and 2, to clarify the details and legality of the joint venture agreement with Vale and to reiterate BSGR Guinea's commitment to building the Trans-Guinea railway as a gift to the Guinean people.<sup>16</sup>
71. I also saw President Condé in a meeting in May or June 2011 with Mr Steinmetz. We discussed BSGR Guinea continuing the project and his complaints about BSGR. I do not believe that he asked for the \$1.25 billion again in this meeting but he may have.
72. However, despite my efforts, President Condé carried out both the threats he made in our

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<sup>15</sup> Vale Weekly Guinean Press Review (with translation), dated 28 February 2011 (quoting President Condé's statement to the press on 22 February 2011, as reported on by L'Observateur N°532, p. 3 and L'Aurore N°115: "*J'ai été clair, tous les produits passeront par le port de Conakry.*" "*I have made myself clear: all the production shall be exported from the Conakry port.*") (Exhibit C-0103).

<sup>16</sup> Letter from BSGR to President Condé dated 14 March 2011 (Exhibit C-0036).

February 2011 meeting and more. Over the course of the next few months, it became increasingly apparent to me that President Condé seemed determined to permanently prevent BSGR Guinea from carrying out its work in Guinea, ultimately leading to a total halt on our works just months before we were due to produce the first iron ore from Zogota. On the basis of this conduct, we ultimately reached the conclusion that the decision to revoke BSGR Guinea's rights had been taken two years before the commencement of the Technical Committee process, as detailed below.

- 72.1 In April 2011, the Ministry of Mines ordered that BSGR Guinea stop work on the Trans-Guinea railway.<sup>17</sup> The prevention of work on the Trans-Guinean railway was particularly mystifying for us – these works had already started and the commitment to build it had been made by BSGR as a gesture of good will and as a gift to the Guinean people. The railway did not afford BSGR (or BSGR Guinea) any commercial gain whatsoever, so it is difficult to understand why the President did not want us to continue work on it.
- 72.2 On 9 September 2011, the GoG introduced a new mining code (the "2011 Mining Code"). At no point did the GoG approach BSGR Guinea to amend the Base Convention or the Zogota mining concession to reflect the 2011 Mining Code. My understanding was and is that the 2011 Mining Code did not act retrospectively and that the Base Convention and Zogota mining concession continued to be governed by the 1995 Mining Code.
- 72.3 On 4 October 2011, the Ministry of Mines wrote to BSGR demanding that all work was stopped, using the excuse that it did not recognise the identity of the joint venture entity BSGR Guinea.<sup>18</sup> At the time, BSGR Guinea employed over 2,000 local Guineans and was among the three largest employment contributors in Guinea. Moreover, if the works on the Trans-Guinean railway had been allowed to continue, the number of direct employees of BSGR Guinea would have increased by up to 5,000, representing an additional investment in Guinea of \$500 million.<sup>19</sup> Instead, BSGR Guinea was forced to dismiss its employees, when it became apparent after a number of months that the GoG was not going to reverse its position. In Zogota – where we would have been in a position to commence producing iron ore by 2012 – we were forced to stock pile material and abandon the roads, air strips, villages and mines we had already built there and put the machinery we were using in storage. In Simandou blocks 1 and 2, we were still waiting for the GoG to respond to our feasibility study, submitted in September 2011.

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<sup>17</sup> Letter from the Ministry of Transport El Hadj Tidiane Traoré to BSGR Guinea dated 8 April 2011 (Exhibit C-0039).

<sup>18</sup> Letter from the Ministry of Mines to BSGR dated 4 October 2011 (Exhibit C-0042).

<sup>19</sup> As set out in the letter from BSGR to the Minister of Mines dated 28 November 2011 (Exhibit C-0045).

- 72.4 The value of the works BSGR Guinea had already completed by this time cannot be underestimated: we had completed feasibility studies for the Trans-Guinean railway and Simandou blocks 1 and 2, meaning another company could step in and start works without bearing the risk that the projects were not commercially viable. Particularly in the case of Simandou blocks 1 and 2, we left the GoG (and an incoming company) with the DFS which was essentially a map of the mountain, where the iron ore deposits would be found and how much minimum tonnage of ore would be produced at each site. All the monies we had invested in Simandou blocks 1 and 2 had been for the production of this DFS, while at the same time bearing the risk that no viable deposit would be found. The GoG has not paid BSGR Guinea anything for the benefit of the DFS. In Zogota the discovery of iron ore was even more unlikely than in Simandou blocks 1 and 2, yet we had left the GoG not only with our DFS, but with a mine, infrastructure and villages which could lead to the production of iron ore within months. Again, no compensation has been provided. Instead, the GoG continued with its efforts to prevent BSGR Guinea from continuing with its works.
- 72.5 By March 2012, the GoG had reissued the notice to stop works and had refused to cooperate in any way with the efforts BSGR Guinea was making to provide information to meet the concerns that the GoG had raised.<sup>20</sup> I was involved in the correspondence at this time between BSGR and the GoG, which was drawn up with our French lawyers, Veil Jourde. This correspondence included the GoG saying that it had not approved the joint venture between BSGR and Vale, which was therefore not authorized to work in the country; accusing BSGR Guinea of being late in submitting its feasibility study for Simandou blocks 1 and 2 (which had been submitted in September 2011, and was disclosed again in a dataroom in November 2011); and asking questions of BSGR Guinea, which were then answered both by letter and by provision of access to a dataroom of documents evidencing the mining rights, BSGR's partnership with Vale and the GoG's previous approval of that partnership. Despite this, the GoG complained about the provision of the evidential material so the documents were supplied to the Ministry of Mines again on 3 February 2012 in hard copy through BSGR's lawyer's Veil Jourde.<sup>21</sup>
- 72.6 On 28 February 2012, I wrote to the President in my capacity as President of BSGR to explain the very serious difficulties BSGR Guinea had had in progressing any work in

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<sup>20</sup> Letter from the Ministry of Mines to BSGR Guinea dated 17 November 2011 (Exhibit C-0044).

<sup>21</sup> Letter from the Ministry of Mines to BSGR Guinea dated 31 October 2011 (Exhibit C-0043); Exhibit C-0044; Exhibit C-0045; letter from the Ministry of Mines to BSGR dated 19 January 2012 (Exhibit C-0046); letter from Veil Jourde to the Minister of Mines dated 3 February 2012 (Exhibit C-0048).

Guinea.<sup>22</sup> I explained the various obstacles that the GoG had created, insisted that BSGR Guinea be allowed to proceed in accordance with its contractual rights (and to the benefit of the Guinean people: Vale had committed US\$10 billion of investment to the project, which included a commitment to build the Trans-Guinean railway), said that BSGR Guinea would be happy to comply with a review of the mining code or of its rights and explained that BSGR and BSGR Guinea would also be happy to discuss these matters with the GoG should that assist. As I set out:

*"Today, the Zogota mine is in course of completion, and commercial production should start in mid-2012, in line with the timetable as agreed; but the authorities have not enabled the Company to build the link with Liberia; any delays can only prevent the output being exported as agreed, although the State guaranteed the Company that it would take the necessary measures to enable it to build that railway.*

*Likewise, although the Company duly lodged a feasibility study for Blocks 1 and 2 in September 2011, the authorities have still not started negotiating the terms of this mining concession. They are therefore preventing the Company from proceeding with the works concerned and are seriously compromising starting the operations at the end of 2014 as agreed. The State did, however, agree to define 'the operating and expedition terms and conditions for these two Blocks' once the Company submitted the feasibility study.*

*In conclusion, for some months now, the Guinean authorities have been incessantly trying to paralyse the performance of a project which they committed themselves to implementing. In making gratuitous allegations and absolutely unjustified demands, they have shown that they wish to revoke their contractual commitments, which the Company cannot but respond to."*

72.7 Unfortunately, my letter had no effect.

72.8 I wrote again to the GoG on 12 April 2012 explaining about the various obstacles that the GoG had put in BSGR Guinea's path, including that it was claiming not to recognise BSGR Guinea. I stated that BSGR Guinea was coming to the conclusion that the GoG was simply trying anything to harass BSGR Guinea and prevent it from properly working in the country.<sup>23</sup> I again said that BSGR would fully cooperate with a lawful review of the Mining Code and reminded them of the information about BSGR Guinea's rights that had previously been provided, that the project was in the interest of all parties and would greatly benefit the Guinean people and respectfully asked the GoG to remove obstacles to proceed. Had there been no obstacles, mining in Zogota would have commenced the following month, but this letter again, had no effect.

72.9 Instead, the GoG increased its campaign against BSGR and on 11 October 2012, the Ministry of Mines withdrew consent for BSGR Guinea to export iron ore from Simandou

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<sup>22</sup> Letter from BSGR to President Condé dated 28 February 2012 (Exhibit C-0049).

<sup>23</sup> Letter from Asher Avidan to the Government of Guinea dated 12 April 2012 (Exhibit C-0104).

blocks 1 and 2 through Liberia. This was a vital part of the Base Convention, without which the viability of the entire project was in doubt.<sup>24</sup>

72.10 Finally, on 30 October 2012, the Technical Committee set up by President Condé to investigate BSGR Guinea's mining rights sent the Allegations Letter to BSGR Guinea, detailing a series of allegations about BSGR and the way it had obtained its rights, all of which were false.<sup>25</sup> On the fact of it, the Allegations Letter was the start of the GoG's review of BSGR Guinea's mining rights and the commencement of an investigative process. However, it was clear from the conduct of the GoG since President Condé came to power that it had been looking at ways to obstruct and undermine BSGR Guinea's rights since as early as February 2011. The Technical Committee process appeared to me to be an attempt to legitimatise this pre-determined withdrawal of our rights.

72.11 Furthermore, notwithstanding that the GoG had received a full explanation of what rights BSGR Guinea held and how, along with a huge amount of material to support BSGR Guinea's position (twice), in the Allegations Letter the GoG said that it had previously asked questions which had "*yet to be properly answered*".<sup>26</sup> I do not know what other material we could have provided to the GoG, or in what form, that would have satisfied them. Considering that when we first provided supporting material to the GoG in a dataroom in November 2011, and the GoG effectively admitted to not having bothered to review the material provided because they then accused us of not providing them with our feasibility study relating to blocks 1 and 2, which had been in the dataroom, I do not believe that even then the GoG had any intention of allowing BSGR Guinea to continue work, or to continue to hold its rights.

### Walter Hennig blackmail attempt

73. [PROTECTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

<sup>24</sup> Letter from the Ministry of Mines to Ricardo Saad dated 11 October 2012 (Exhibit C-0053).

<sup>25</sup> Exhibit C-0064.

<sup>26</sup> Letter from the Government of Guinea to BSGR Guinea (the Allegations Letter) dated 30 October 2012 (Exhibit C-0054).

<sup>27</sup> [PROTECTED]

[PROTECTED]

74. We are still learning the true story in relation to this process, but I received the first hint of it when I met with a man called Walter Hennig in a series of meetings in March and April 2012. Mr Hennig is a South African businessman who, I discovered, had illegally assisted Mr Condé in rigging the 2010 Presidential election. These meetings were set up through a JPMorgan banker, Lloyd Pengilly, and I was asked to go and meet this man who I had never heard of before.
75. The first meeting took place on 20 March 2012 at Mr Hennig's office in London. I made a contemporaneous memorandum of that meeting.<sup>29</sup> Mr Hennig told me that President Condé had sought the help of the South African government to fund his election campaign and asked that they loaned \$50 million in exchange for options and/or stakes in operational mines and exploration projects in the country. The South African Government had indeed made such a loan and in return for providing those funds, President Condé said that they would be granted stakes in iron ore or oil and gas projects. He had, in particular, promised a stake in Simandou. Until then we had had no understanding of why President Condé was interfering in the project. It had never been clear to anyone why he was taking the steps he was, which were bound to cause damage to his country. This meeting with Mr Hennig was the first glimpse into President Condé's real motives.
76. I met Mr Hennig again on 28 March 2012 and this time recorded our meeting.<sup>30</sup> Mr Hennig gave some more details of how his company, Palladino's, plan was to operate. When I suggested that the GoG's investigation into BSGR's mining and exploration rights was a way of obtaining mining rights to pay back the loan that Mr Hennig had arranged from the South Africans, Mr Hennig said that he agreed with me "100%".<sup>31</sup>
77. We met again on 29 March 2012. There is a transcript for this meeting too.<sup>32</sup> Mr Hennig explained to me that he was in somewhat of a rush to get paid and wanted to apply pressure before the upcoming parliamentary elections which Mr Hennig said he expected President Condé to lose. It was at this meeting that Mr Hennig tried to blackmail me. He

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<sup>28</sup> Dag Cramer Witness Statement in Support of BSGR's Judicial Review Application dated 25 November 2014 (Exhibit C-0028).

<sup>29</sup> Memorandum of meeting between Asher Avidan and Walter Hennig dated 20 March 2012, (Exhibit C-0106).

<sup>30</sup> Transcript of meeting between Asher Avidan and Walter Hennig dated 28 March 2012 (Exhibit C-0107).

<sup>31</sup> *Ibid.*, p. 7.

<sup>32</sup> Transcript of meeting between Asher Avidan and Walter Hennig, dated 29 March 2012, (Exhibit C-0108).

showed me the forged documents that we had previously received from Ms Touré in an extortion attempt (as explained in paragraphs 115 to 124 below) as well as other documents that I did not recognise but which did not appear to have anything to do with BSGR. While I had not focussed on these for a while, I of course immediately recalled them and knew them to be forgeries straight away. He did not leave me with the documents but they were either identical or very similar to the documents I had seen previously. I told him that these documents were fake, and that I had seen them before as part of a blackmail attempt against BSGR.

78. On 1 April 2012, I met Mr Hennig for the last time, this time in Conakry.<sup>33</sup> This did not lead to any further information. However, by now and from this time onwards it was clear that President Condé's motivation was to remove from BSGR and BSGR Guinea the rights that had been properly and lawfully awarded. Between then and now, very significant evidence has emerged that supports exactly what Mr Hennig had suggested was happening and would happen. This evidence of the reasons why President Condé went about organising the removal and cancellation of BSGR Guinea's rights is set out in some detail in the Cramer Judicial Review Statement.<sup>34</sup>

#### **Steps taken to prevent me from entering Guinea and arrests of other Israelis**

79. The prejudice shown to BSGR by Alpha Condé and the GoG continued alongside the Technical Committee process. Mr Cramer sets this out in detail in section M of the Cramer Judicial Review Statement.<sup>35</sup> Mr Cramer details how President Condé sought to create the impression that BSGR had engaged in illegal activities, including by making numerous false allegations of plotting a coup d'état in Guinea. I respectfully refer the Tribunal to the Cramer Judicial Review Statement, and only seek to add here details which are not included or which have emerged since the date of that statement.
80. In early 2013, I received a telephone call from Victor Kenan, who was a friend of mine and who lived in Guinea, in which he informed me that he had seen my name on the wall of the passport control office at the airport on his entry into Guinea. I was very surprised to hear this as I had not received any communication informing me that I was not welcome in Guinea, nor could I think of any legitimate reason why my name would be on the wall of the passport control office. However, later, in June 2013, I read an article in *Africa Confidential* in which President Condé was reported to confirm that I had been declared

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<sup>33</sup> Transcript of meeting between Asher Avidan and Walter Hennig, dated 1 April 2012, (Exhibit C-0109).

<sup>34</sup> Exhibit C-0028.

<sup>35</sup> Ibid. p.43 et seqq.

*persona non grata* in March 2013, on the basis of the purported "*role they [BSGR] played in some of the political turmoil that we face at the moment in the country*".<sup>36</sup>

81. To date, I have received no formal notice informing me of my entry status in Guinea and I confirm that I have played no role in political turmoil in Guinea. However, following the unlawful arrest and seven month imprisonment in deplorable conditions of two BSGR employees in April 2013, I have not dared to attempt to enter Guinea for fear that I too would be arbitrarily arrested. The treatment of the two employees while in detention and the numerous human rights violations committed by Guinea are set out in the witness statement of James Libson of 26 November 2014 to the English High Court in respect of BSGR's judicial review application (the "Libson Judicial Review Statement")<sup>37</sup>. I respectfully refer the Tribunal to Section B of that statement.
82. In September 2013, I learnt that the GoG had also arrested and jailed four Israeli citizens residing in Guinea, whom the GoG claimed were associated with BSGR.<sup>38</sup> One of those individuals was Mr Kenan. Mr Kenan's two sons contacted me and asked me for help. I could not go to Guinea to assist and explained this to Mr Kenan's sons. Instead, I put them in touch with Gaby Peretz, an Israeli living in Guinea who was apparently a friend of Alpha Condé. I believe that Mr Peretz was indeed helpful and a few days later, and shortly after the legislative elections had taken place in Guinea, the four Israelis were released without an explanation.
83. Mr Kenan's sons informed me of this news and told me that Mr Kenan had been taken directly from the prison to see President Condé. According to Mr Kenan's sons, President Condé had accused Mr Kenan of being involved with BSGR and of selling weapons to Mr Steinmetz. In addition, President Condé was keen for Mr Kenan to provide information on BSGR. Mr Kenan apparently replied that the allegations were not true and that he had met Mr Steinmetz only once or twice. He was then allowed to leave. After hearing this story, it was clear to me that President Condé was still looking for evidence to support the – baseless – allegations he had already made in the Allegations Letter as to BSGR's relationship with Mr Kenan. I note that these allegations were not ultimately included in the final report of the Technical Committee.

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<sup>36</sup> Africa Confidential, "*Condé takes on Steinmetz*" dated 21 June 2013 (Exhibit C-0110).

<sup>37</sup> Witness Statement of James Libson, in respect of BSGR's Judicial Review Application dated 26 November 2014 (Exhibit C-0057).

<sup>38</sup> i24 News, "*Four Israelis arrested in Guinea, suspected of plotting coup*" dated 30 September 2013 (Exhibit C-0111)

## **G. THE TECHNICAL COMMITTEE AND THE EXPROPRIATION OF BSGR GUINEA'S MINING AND EXPLORATION RIGHTS**

84. After a prejudicial process which lacked due process (as explained in the witness statement of Dag Cramer), on 28 March 2014 the Technical Committee sent BSGR Guinea its final report to the Strategic Committee dated 21 March 2014 (the "Technical Committee Report").<sup>39</sup> The Technical Committee Report concluded that, in summary, there was "*a series of precise and concurring indications, establishing with sufficient certainty the existence of corrupt practices tarnishing the mining titles and mining agreement for the deposit of Simandou, as well as for those of Zogota, granted to BSGR; and [that] such corrupt practices render null and void [BSGR's] mining titles....*"<sup>40</sup>
85. The evidence relied upon by Technical Committee was entirely flawed and relied almost entirely on an affidavit of Mamadie Touré. This is described in section K of the Cramer Judicial Review Statement and I respectfully refer the Tribunal to that section.<sup>41</sup> In addition and in order to provide the Tribunal with some context, I set out below (i) my relationship with Ms Touré; (ii) the untruths in Ms Touré's witness statement of 2 December 2013 which relate to me; and (iii) the specific inaccuracies and untruths relied upon in the Technical Committee Report to justify the withdrawal of BSGR Guinea's rights.

### **(i) My relationship with Ms Touré**

86. I will deal with the specific allegations Ms Touré makes about her relationship with BSGR, and about me, below. But I want to make clear at the outset that I never signed any contracts with Ms Touré, and I am not aware that BSGR ever had a contractual relationship with her of any kind. I never paid her any sum, nor did I authorise anyone else to do so on my or BSGR's behalf. She did not play any part in the award of mining or exploration rights to BSGR and had no role whatsoever in lobbying for BSGR over those rights. She was simply not involved in our conversations with the GoG on these issues, or any other.
87. Shortly after my arrival in Conakry Mr Touré, who was Ms Touré's half-brother, told me about her and said that I should go and see her. He said that she was an influential lady and BSGR should keep on the right side of her. He also said that she told people that she was the wife of the President (i.e. President Conté), but that she actually was not, although she was close to him. He explained that Ms Touré had, like him, got to know President Conté when he was hiding from the then President, Ahmed Sekou Touré.

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<sup>39</sup> Exhibit C-0064.

<sup>40</sup> *Ibid.* p. 2.

<sup>41</sup> Exhibit C-0028.

88. I did not know then and was not informed that Ms Touré had any type of relationship with Pentler. She did not have a business relationship with us. I was not told by Mr Struik or Mr Oron anything specific about her or that we had to deal with her in a particular way.
89. Mr Touré, however, was very keen that I meet with her and asked me several times to go and see her. I could not understand how she could be of help to us and therefore initially refused but on his insistence, I eventually gave in and went to see her with him. I had the feeling that Mr Touré was scared that Ms Touré could do BSGR some harm, perhaps because she was influential among the locals, if we did not keep on the right side of her. He said that some people were scared of her.
90. From memory I believe it was in September 2006 that I went to her house in Dubréka to meet her. She was a very young woman, probably 20 or in her very early 20s, and physically quite large. In our meeting, she was very aggressive. She said lots of odd things like that BSGR had to report to her and that BSGR's work in Guinea was her project. I felt uncomfortable both about her conduct, which was unusual (she was very young but very aggressive) and about what she was saying to me. I had gone there in good faith but she kept saying that I should not be there because Mr Cilins should be running things for BSGR. It was clear to me that she had had some kind of agreement with Mr Cilins, or at least thought she had. I think she was upset because Mr Cilins was clearly playing less of a role, now that I had arrived, and she was worried that whatever she thought she was going to get from Mr Cilins she would no longer get.
91. Whilst I was uncomfortable about what Ms Touré had said (and I think I spoke to Mr Struik about it), I did not want to make a fuss – I had only just arrived in Guinea and had not yet fully worked out who everyone was and how it all worked. It seemed to me, however, that it was extremely unlikely that Ms Touré would be taken seriously by anyone in government, although she was obviously unpredictable and had influence in local communities.
92. I did speak to Mr Touré about what Ms Touré had said to me, and he told me not to pay too much attention. He said that I should just go and see Ms Touré regularly to make sure that she was happy and so she did not feel ignored.
93. Ms Touré was a known figure both in social and business circles and Mr Struik and I jokingly referred to her as "the Lady". As I got to know a bit more about her and understood Guinea better, I learned that Ms Touré was considered to be a woman of influence at a local level, and that this was in large part because she was thought to be a witch and to have magical powers related to voo-doo. There was, and remains, in Guinea, a very strong

belief in this kind of magical power, and accordingly Ms Touré was powerful with the locals. She also knew and had influence with various people in the army, but I am not sure why. I did not consider her to be a serious business woman as judged by western business standards but she did have various businesses in Guinea – I believe she owned some property or some land, for example, and Mr Touré told me that she had various businesses importing goods into Guinea.

94. Ms Touré also made a name for herself threatening people or businesses. Between 2005 and 2007 she threatened or made demands of a company that was working in bauxite in Guinea called Global Aluminum or Global Alumina (now Guinea Alumina Corporation). I was aware from various gossip in the business and mining community and from what Mr Touré told me that Ms Touré was giving Global Aluminum a really difficult time, making threats against them and saying that she created them. I remember that I was also told, perhaps by Mr Touré or perhaps I found out as a result of general gossip in the business community, that Ms Touré had also threatened Hyperdynamics at around the same time.
95. Ms Touré was present at BSGR's reception in September 2006. She was one of around 100 other guests. I did not invite her (I think maybe Mr Cilins or Mr Touré may have asked her). and it follows that I did not ask her in order to add some credibility to BSGR.<sup>42</sup> It is also ridiculous to allege that we had, on the one hand, invited her to make us more credible, but on the other hand asked the press not to report about her being there.
96. Other than this, I was very busy and in the field a lot, so saw her only rarely – maybe four or five times between September 2006 and February 2008. I only saw her because Mr Touré requested that I do so.
97. The vast majority of what was discussed at these meetings was Ms Touré telling me that the President was not happy and was upset about BSGR's work: she would say that the President had told her that he had heard that BSGR were not doing enough, that we were not moving fast enough. She once told me that BSGR should build the President a mosque in his name. I think she said these things in order to advertise her own importance. As it was, during this time I was seeing the President myself about once every couple of months, and accordingly I knew what she was saying was not true. I listened politely but did not take anything she said seriously. The meetings were really a waste of my time and in early 2008 I stopped going to see her.
98. Once when I saw her, she asked us to sponsor a football tournament in Conakry, which Mr

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<sup>42</sup> Affidavit of Mamadie Touré dated 2 December 2013 (Exhibit C-0086), p.3, para 16.

Touré had also asked us to sponsor. I was at first reluctant but in the end we did it – we actually sponsored a lot of these types of events like conferences and local football tournaments. We were aware that we had to stay in touch with and support the local communities and this was a good way of doing that and of promoting BSGR's name. Ms Touré also told me that she had an ongoing commercial relationship with Pentler – they had a chicken business together. Mr Touré told me that she had a hangar next to the port in Conakry and was importing chickens and I believe maybe pharmaceuticals as well. Occasionally she would tell me about it, saying that she wanted to import different things or wanted to get goods from Israel. I never had anything to do with any of these projects.

99. After I stopped going to see her, Ms Touré came to the BSGR office in her car sometime in the first half of 2008 with a soldier. She was very angry and shouted at me and everyone else who was there. She particularly wanted to shout at Mr Touré. She was angry that we were not paying her enough attention. A little after that, I had a meeting with the Prime Minister, Lansana Kouyaté, and told him about Ms Touré coming to the office. He said to me that we should just ignore her and not go to see her anymore.
100. In September 2008 Ms Touré came to the BSGR office accompanied by her mother and an albino child. The albino child was something to do with voo-doo and apparently was supposed to strengthen her powers. They wanted to slaughter a chicken as a sacrifice and cast voo-doo spells on me, which they then did. I refused to see them and ignored them until they left. I still came across her from time to time – the business world in Guinea was not very big – while I was not rude to her and greeted her civilly, I did not have any contact with her beyond that.

**(ii) Ms Touré allegations in her statement of 2 December 2013**

101. In her statement of 2 December 2013, Ms Touré makes a series of allegations about me and about BSGR. As set out above, the Technical Committee relied on this statement in its report to the Strategic Committee which concluded that "*corrupt practices*" tarnished the mining titles and mining agreements granted to BSGR and that this rendered them "*null and void*".<sup>43</sup> The allegations are untrue. I will deal with them as follows.
102. In paragraph 14 of her 2 December 2013 statement, Ms Touré alleges that I, together with Mr Steinmetz, Michael Noy, Fred Cilins, Ibrahima Touré, Patrick Saada, Issiaga Bangoura and Mr Struik visited her in Dubréka at the residence of the President after a meeting she refers

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<sup>43</sup> Exhibit C-0064, p.2.

to in paragraph 13.<sup>44</sup> She does not provide a date when this meeting apparently took place. The fact is that the meeting did not take place at all. I never had any meeting with her or the President where these people were present. According to her statement, this meeting was supposed to be a follow-up meeting to the meeting with President Conté that she describes in paragraph 13, which apparently went "awry". Ms Touré does not mention my name in the alleged first meeting. In any case, I did not attend either of these alleged meetings and as far as I am aware neither of them took place.

103. Mr Steinmetz and I met President Conté only twice together. The first time was in, I believe, April 2008. We went to meet the President at the Presidential Palace. The meeting took place in the gardens under a tree. I think Mr Touré was with us but no one else from BSGR attended. It was an odd meeting. The President was surrounded by a lot of soldiers and some younger women – one of whom I believe may have been Ms Touré although I cannot now remember if she was there or not. I think she may have been there because I remember thinking that she must have found out about the meeting because I had had to schedule it in advance because Mr Steinmetz was coming. Usually, I just turned up with Mr Touré and asked for the meeting and then had to wait until he was free for a moment to see us. It was a meeting simply to introduce Mr Steinmetz to the President. We discussed, as we always did, BSGR's work in the country already and that if Rio Tinto's blocks became available, BSGR would be keen to apply for them. The President called Sam Soumah (then Secretary General) in for this part of the discussion and told him that he wanted Rio Tinto's mining rights reviewed. Following this I had two follow up meetings with Mr Soumah where he discussed with me that the government was going to take Rio Tinto's rights away. I listened carefully and repeated that if the blocks were taken away, BSGR was keen to do work in that area and would apply for the concessions.

104. I note that Ms Touré gives a different account of what happened in these meetings in paragraphs 24 and 25 of her statement.<sup>45</sup> She did not arrange the meeting between me, Mr Steinmetz and the President (although, as I say, I think she may have been present at it). She says that it was me and Mr Touré at this meeting, which was not the case. I also did not contact her afterwards to arrange another meeting with Mr Soumah.

105. At around this time, the President was talking about Rio Tinto all the time, or at least he certainly was in the meetings I had with him. He said that he gave Rio Tinto its rights and he would take them away. He also said to me that he wanted to create competition in Simandou. The topic was firmly on the table at the time and certainly not as a result of any

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<sup>44</sup> Exhibit C-0086, paras 13 and 14.

<sup>45</sup> *Ibid.* paras 24 and 25.

interference from BSGR. As it was constantly on the agenda in the meetings I had with the President, it was natural that it would be discussed when Mr Steinmetz was there.

106. After the meeting with the President, I took Mr Steinmetz to meet Mr Kouyaté, the Prime Minister. We told Mr Kouyaté that we had just been with the President and that the President had discussed taking away Rio Tinto's blocks in Simandou. Mr Kouyaté was less keen on taking Rio Tinto's rights away – he said it that it was not the right time and Guinea should not be getting into arguments with big companies like Rio Tinto. We discussed the matter generally. We did not advocate for one way or the other, but said that it was the government's decision.
107. The second meeting I had which both Mr Steinmetz and President Conté attended was in September or October 2008. Mr Steinmetz and I went to see the President in his home in the village of Buramaya outside of Conakry. Ms Touré was not present at this meeting. The meeting was quite short and the President did not say much because he was quite sick at the time. We talked about BSGR's application for blocks in Simandou. He told us that he thought it was right that Simandou had been taken from Rio Tinto but that the award of the blocks to another party was the government's decision rather than his.
108. In paragraph 17 of her statement Ms Touré alleges that various BSGR personnel and I attended a meeting on 20 June 2007 in which she and Marc Struik signed a Memorandum of Understanding between BSGR and Matinda.<sup>46</sup> Ms Touré states in her Affidavit that she had signed it in a meeting with Mr Steinmetz, Mr Saada, Mr Bangoura, Mr Touré and me that apparently took place on 20 June 2007. This is not true. We never signed any document with Ms Touré or entered into an arrangement with her of any nature. The meeting Ms Touré describes never took place with the people she says were present, or at all. Mr Steinmetz came to Guinea for the first time in 2008 so he could not have been there. Mr Saada was never in any of the meetings I attended with Ms Touré. Further, no meeting took place between me, Mr Struik and Ms Touré at all, let alone one at which Mr Struik or I signed a contract with her.
109. In paragraph 18 of her statement Ms Touré alleges that Issiaga Bangoura and I came to visit her at the beginning of 2008 and that we asked her for help to secure Simandou blocks I and <sup>247</sup>. She further alleges that during this meeting I put Mr Steinmetz on speakerphone. That is another fictional meeting and another lie. Whilst I believe I told Ms Touré that BSGR was keen to apply for Rio Tinto's blocks should they become available, I never asked

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<sup>46</sup> *Ibid.* para 17.

<sup>47</sup> *Ibid.* para 18.

for her help to secure Simandou blocks 1 and 2. I certainly never put Mr Steinmetz on speakerphone during any meeting with her. Ms Touré knew we were interested in blocks 1 and 2 – and so did many other people. We knew what we had to do to have a chance of obtaining the licences. We did not need her or anyone else's assistance in doing so.

### **Mamadie Touré did not organise meetings with the President**

110. Ms Touré never organised any meetings between me and the President. As I have already explained, we did not need her in order to see the President. I dealt with the President and the Prime Minister directly and Mr Touré helped me to arrange the meetings with them, as I describe above. I met the President probably seven or eight times in total and organised meetings with him myself or with Mr Touré's assistance. We either went directly to his secretary or his head of security or we sent a formal meeting request for a meeting. I did the same with various other ministers and government officials, if I wanted to see them. As a former government official myself, I was used to getting in contact with government officials directly.
111. I cannot recall details of all the discussions I had with the President, but the purpose of my visits was always to promote BSGR's interests and to discuss with him the progress of our projects. We also discussed other projects which the President was interested in and which he wanted BSGR to support. For example, at one point he wanted BSGR to get involved in a country-wide energy project that he was keen on. I took this idea back to BSGR but they were not interested.
112. I only saw Ms Touré twice during a meeting with the President. The first time was Mr Steinmetz's first meeting with the President in April 2008 that I describe above (which I believe, but am not certain, that she attended).
113. The second time was with Mr Struik and I think took place sometime in 2008, although I cannot now be certain. Mr Struik and I were called to the Presidential Palace late in the evening and Ms Touré was there with him. I remember Mr Struik asked me why she was there but I did not know. The President was watching football on the television and he questioned us about the progress of the explorations in Simandou North and South. At some point Ms Touré spoke up and interrupted him and he got really angry. He shouted at her to shut up and he was so aggressive with her that I thought he might slap her in front of us. He did not, but Mr Struik and I were both shocked. Had I ever been under any illusion that Ms Touré had influence with the President, this incident showed that this clearly was not the case. The President was highly dismissive of and rude to Ms Touré, as well as

extremely aggressive towards her. It did not seem to me to be the kind of relationship that would allow her to hold any influence at all over him.

114. The allegations Ms Touré makes in paragraphs 24 and 25 of her statement<sup>48</sup>, which include that she had organised a meeting for me and Mr Touré with the President during which the President called Mr Soumah to investigate Rio Tinto's "contract" are dealt with at paragraphs 103 to 104 above.

**BSGR did not enter into any contracts with Mamadie Touré**

115. I am aware of the forged contracts dated 27 February 2008 and 28 February 2008 that I allegedly signed on behalf of BSGR with Matinda, a company on behalf of which Mamadie Touré signed (the "February 2008 Contracts"). Ms Toure's statement refers to these contracts and the Technical Committee's report relies upon them as "*expressly condition[ing] the payment of significant amounts and participations in the mining rights corresponding to Matinda and Co Limited to obtain mining rights, especially in the area of Zogota and Simandou blocks 1 and 2.*"<sup>49</sup> These contracts state that BSGR promised payments of \$4 million to Matinda as a commission and to provide 5% of its shares in blocks 1 and 2 to Mamadie Touré as payment for the assistance to obtain Simandou blocks 1 and 2.<sup>50</sup> I never signed these contracts, nor any similar to them. I never signed any contracts with Ms Touré (or Matinda) at all.
116. The first time I learnt about these contracts was in June 2010, before Alpha Condé came to power. Ms Touré had fled the country to Sierra Leone and, from there, tried to extort money from BSGR with these contracts.
117. Ms Touré had also tried to demand money from BSGR in 2009, although I do not remember that she used the February 2008 Contracts then. I cannot now remember exactly what happened, and it seems that we no longer have the paperwork from this incident, but I believe a lawyer acting on behalf of Ms Touré sent a letter to me at our office in Guinea and demanded payment. I cannot now remember how much they demanded. I believe I asked Mr Touré to deal with it with our lawyers.
118. Just before this, I had been arrested by a General, whose name I cannot now recall, who had served under President Conté and was apparently acting on behalf of Ms Touré. A

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<sup>48</sup> *Ibid.* paras 24 and 25.

<sup>49</sup> *Ibid.* paras 19 and 20; Exhibit C-0064, p. 10.

<sup>50</sup> Forged Commission Agreement dated 27 February 2008 (Exhibit C-0112); and Forged Memorandum of Understanding, dated 28 February 2008 (Exhibit C-0113).

couple of times, this General had sent soldiers to see me with messages telling me to meet with him and that he needed to talk to me about Ms Touré. I had tried to avoid him and his soldiers and kept saying that I could not meet. Eventually, a group of soldiers came to my house in two pickup trucks and armed with Kalashnikovs. They picked me up and took me to the General's office.

119. The General showed me what he said was a pack of contracts, which I was not allowed to take away with me. These contracts included contracts between Ms Touré and Pentler, but, I am almost certain, did not include any contracts with my signature on. He said that I, or BSGR, owed Ms Touré money. I told him that BSGR had never had a commercial relationship with Ms Touré and did not owe her any money. He told me again that BSGR owed both him and Ms Touré money and that I needed to pay her, him and his team. I refused. In respect of the contracts apparently entered into between Ms Touré and Pentler, as I only arrived in Guinea in June 2006, I was not and could not have been involved or aware of any of the agreements that were apparently signed before I arrived. I was also not involved in any other agreements that were signed by Pentler afterwards: I knew nothing of Pentler's dealings with third parties, which were entirely a matter for them.
120. They put me in prison and after four or five hours Mr Bangoura and Mr Touré, who had been running all over Conakry trying to find me, arrived. I believe Mr Bangoura went to talk to the General and got me released. I was then allowed to go home but was told to stay in my house, and not leave. Instead I went to an apartment BSGR kept in Conakry that they would not have known about. I spoke to Mr Thiam about this and he told me not to worry, but a couple of days later I left the country. When I got back to Guinea there was a letter from a lawyer acting on behalf of Ms Touré demanding that BSGR pay her. This letter included various contracts between Ms Touré and Pentler, but not the February 2008 Contracts, which she sent in 2010.
121. This was obviously concerning and I was initially very worried about having been arrested like that by someone who seemed to be acting on the instructions of Ms Touré. I told Mr Thiam about it, who did not want to get involved but told me not to worry. Later on I also met with Mr Noy and told him about Ms Touré's letter and being arrested by the General. Mr Noy told me that Ms Touré was Pentler's contact not BSGR's, and confirmed that she was their responsibility. He said that he would get Mr Cilins to speak to Ms Touré about it.
122. On 8 June 2010 BSGR received another letter from Ms Touré, which was served by a

process server on our offices on behalf of lawyers who were acting for Ms Touré<sup>51</sup>. This letter enclosed the two February 2008 Contracts. I cannot now remember whether it included another contract dated 20 June 2007 which Mr Struik had allegedly signed. The letter claimed to invalidate an attestation of 2 August 2009, but did not enclose a copy of that attestation. I was not in Guinea at the time, so I asked Mr Touré to respond to these allegations on BSGR's behalf.

123. Mr Touré responded by letter dated 20 June 2010 to Mr Moussi, pointing out that these allegations were nothing but a web of lies, that I had never seen these documents and that they were indeed fake.<sup>52</sup> The letter also stated that these documents were only intended to harm BSGR's reputation and to seek to extort money from BSGR. It was not the first time that BSGR had been subjected to extortion attempts. That is why we threatened to take legal action against Ms Touré if this claim was not immediately withdrawn.
124. On 23 June 2010 we received a reply from Mr Moussi saying that Ms Touré had withdrawn all her allegations and that she would destroy all fraudulent documents.<sup>53</sup> I do not know why Ms Touré withdrew the allegations with so little apparent resistance. I remember that Mr Touré told me that he had taken the matter to his family or village elders, and this may have been the reason for her prompt withdrawal. She further promised not to make any contact with BSGR anymore and to abstain from any further defamatory allegations. Mr Moussi sent a second revocation dated 30 July 2010 that formally confirmed Ms Touré's position.<sup>54</sup>
125. Extortion attempts are quite common in Guinea. For instance, we received one from someone called Fode Ally Gassama and a second from someone called M'Bemba Camara. Mr Gassama approached BSGR in May 2010 and attempted to claim that he had introduced BSGR to Guinea and that he therefore was owed a 6% share in the company. He had had no previous relationship to BSGR, and his claims were obviously untrue. He withdrew his claims after BSGR threatened to issue both civil and criminal proceedings against him. Mr Camara had worked in security for BSGR, although he was employed by First Interim (the company we used to provide security). In February 2010, Mr Camara started sending letters to the Minister of Mines which were defamatory of BSGR.
126. Both of these incidents involved individuals seeking to claim credit for having introduced BSGR to the country and/or to opportunities within the country and said that for that

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<sup>51</sup> Letter from Nassif Moussi to BSGR dated 8 June 2010 (Exhibit C-0114).

<sup>52</sup> Letter from BSGR Guinea to Nassif Moussi dated 20 June 2010 (Exhibit C-0115).

<sup>53</sup> Letter from Nassif Moussi to BSGR dated 23 June 2010 (Exhibit C-0116).

<sup>54</sup> Letter from Nassif Moussi to BSGR dated 30 July 2010 (Exhibit C-0117).

introduction they were entitled to some type of payment. On both occasions I instructed Mr Touré to ask our lawyers to deal with the issue and after response letters from BSGR, the extortion attempts were withdrawn. Mr Camara was also dismissed from First Interim for threatening BSGR (and for his multiple absences).

127. Whilst it was concerning that Ms Touré was making demands of BSGR again, in the context of the various other blackmail attempts BSGR had received during our time in Guinea, I was not overly worried about it. Each time our lawyers wrote back to Ms Touré's lawyers, the threat would be withdrawn so I did not think that she was that serious about her demands. I also thought the February 2008 Contracts were ridiculous – I knew I had not signed them and did not think that any reasonable person would believe that BSGR had given Ms Toure a shareholding or interest in its project. I did, however, speak to Mr Noy again about it to let him know that Ms Touré was bothering us once more. He again confirmed that she was Pentler's business contact not ours, and said that, other than getting her to withdraw the threats, we should not worry about it.

128. It was only much later in 2012 when these documents surfaced in the meetings I had with Walter Hennig that I considered them to be a proper threat that needed dealing with. It was clear that greater forces were at play and that people hostile to BSGR would seize on any opportunity, whether false or misplaced, to do us harm. From that moment on the issues were escalated and investigated internally. I have participated in each of these investigations, all of which concluded that I did not sign the February 2008 Contracts.

129. Daniel Pollak conducted the initial internal enquiry after Mr Hennig had attempted to blackmail me/BSGR by reference to the contracts. Mr Hennig had not left me with copies of the contracts but when Mr Pollak asked me about them I told him about Ms Touré's blackmail attempts in 2009 and 2010 and I provided the file of correspondence that we had in the Guinea office on the matter to Mr Pollak.

**Mamadie Touré did not receive any valuable gifts from BSGR nor did any government officials**

130. In addition to the above, Ms Touré's statement of 2 December 2013 makes a series of further allegations about me which I assume are also relied upon by the Technical Committee Report, although they are not specifically mentioned in that report. Again, each one is untrue. I deal with them below:

130.1 Ms Touré alleges that she received two Land Cruisers delivered by me personally on behalf

of Mr Steinmetz.<sup>55</sup> That is not true. I did not deliver any cars to her nor did Mr Steinmetz ever ask me to do so. As I have said, BSGR owned many Land Cruisers which were sometimes made available to officials. They were never given away or made gifts of but were all owned by BSGR.

130.2 Ms Touré alleges that BSGR gave her several gifts. Of those "several" gifts, she can recall a necklace, which I apparently gave to her, and a "*white gold chain adorned with seven diamonds*."<sup>56</sup> She did not receive these gifts or anything similar from me. The only present I have ever given to Ms Touré was a miniature view of Jerusalem, which I had bought at the airport in Tel Aviv because Mr Touré asked me to do so: he had seen one I had bought before and he thought it was nice. This was at the beginning of 2007. Ms Touré does not mention that gift in her statement.

131. I gave ministers, I think, in total six small golden model cars which were a BSGR corporate gift. I had them in my house in Conakry. I also provided every minister in the CPDM with the view of Jerusalem. BSGR also gave copies of a book called *The Steinmetz Diamond Story* as a corporate gift to some ministers, as well as providing local communities with cows for their ceremonies. These were simple courtesy gifts of low value.

### **Mamadie Touré did not receive any payments from BSGR**

132. One of Ms Touré's most ridiculous lies is that I put US\$1 million in cash on a bed in BSGR's offices, showed it to her and then gave it to her in a bag.<sup>57</sup> This never happened. I have never seen US\$1 million in cash. I certainly could not put it on a bed in BSGR's office because we did not have a bed in our office. On no occasion have I given Ms Touré any cash sum, however large or small, in an office, on a bed or in any location at all. I have also never authorised anyone else to do so on my behalf.

133. Ms Touré also states that I had provided her with \$50,000 when she was in Sierra Leone.<sup>58</sup> This again, did not happen. I did not send a "*representative*" to Sierra Leone or give her money there or elsewhere, or arrange for her to be given money.

134. I do not know anything about Mr Bangoura's alleged trip to Freetown with a promise to provide her with US\$4 million on behalf of BSGR.<sup>59</sup> No one from BSGR had asked him to do so nor would anyone have granted him the authority to commit BSGR to a payment of

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<sup>55</sup> Exhibit C-0086, para 26.

<sup>56</sup> *Ibid.*, para 27.

<sup>57</sup> *Ibid.*, para 28.

<sup>58</sup> *Ibid.*, para 31.

<sup>59</sup> *Ibid.*, para 32.

\$4 million or, indeed, any amount at all, to Ms Touré.

135. BSGR had nothing to do with the payments made to her through Ghassan Boutros. Her understanding that these payments "*came from BSGR*" is wrong.<sup>60</sup> Mr Boutros was our main supplier in Guinea for machinery and various other equipment, including communications equipment. The transaction Ms Touré refers to was one in which BSGR asked Mr Boutros (through his company, Logistics and Maintenance Services SARL) to obtain two Caterpillars for us. We had many of them in the field and needed two more for our exploration work. Mr Boutros obtained the Caterpillars for us, and we duly paid him the amount he invoiced for them. I did not know, and I am not aware that anyone else from BSGR knew, that Mr Boutros had used Ms Touré to obtain this equipment. It was certainly not a backhanded way of BSGR paying Ms Touré.

136. During my time as project manager of BSGR I did not make any payments, whether directly or indirectly, to Ms Touré, and I am not aware of anyone else from BSGR doing so either.

**(iii) Inaccuracies relied upon in the Technical Committee Report**

137. Notwithstanding the above, Ms Touré's statement was relied upon in the Technical Committee Report. For the sake of completeness, I set out below the following specific mistruths:

137.1 At paragraph 16, in a section entitled "The Facts", the Technical Committee claims that Mr Frederic Cilins was an agent of BSGR's in Guinea and worked with me in contacting the Guinean authorities regarding BSGR's wish to invest in Guinea.<sup>61</sup> This is untrue. As I explain at paragraphs 11 and 13 above, Mr Cilins assisted with office and administrative tasks and towards the end of 2006 he stopped work for BSGR altogether at my request. He certainly did not help arrange meetings for me with the Guinean authorities, nor did he play any role in any BSGR business in Guinea, including in BSGR's mining rights, after that point (until 2011 when he, on behalf of Pentler, worked with BSGR again to try to resolve the issues with President Condé).

137.2 At paragraph 18, again described as a "fact", the Technical Committee states that Ms Touré was invited by me, as well as by Mr Struik, Mr Oron and Mr Cilins, to a presentation made by BSGR as a "*public relations*" effort.<sup>62</sup> This, again, is entirely untrue. Ms Touré was not present at any presentation made by BSGR that I attended. In any event is not clear what

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<sup>60</sup> *Ibid.*, paras 33 and 34.

<sup>61</sup> Exhibit C-0064, p. 7.

<sup>62</sup> *Ibid.*

the Technical Committee means when it says that BSGR invited her to this presentation "*obviously as a "public relations" effort.*" Ms Touré's statement does not mention this in her statement, but does say that she attended a reception hosted by BSGR, and that I invited her in order to give BSGR "*credibility*".<sup>63</sup> The Technical Committee may therefore be referring to BSGR's reception instead. As I explain at paragraph 95 above, I did not invite her to this event and therefore did not do so in order to give BSGR credibility.

137.3 At paragraph 19, the Technical Committee Report relies on as fact that "*successive representatives of BSGR in Guinea – especially Mr Asher Avidan and Mr Frederic Cilins – asked Mrs Mamadie Touré several times to intervene with the Head of State, her husband, to make him give all the instructions necessary for mining rights to be attributed to BSGR.*".<sup>64</sup> This is again untrue in every respect:

137.3.1 I never asked Ms Touré to intervene with any government official, or with the President on BSGR's behalf. As should be clear from my evidence above, I did not consider Ms Touré to be particularly influential in the government and thought of her rather as a burden. I only saw her because Mr Touré insisted that I do so and eventually stopped going to visit her at all at the beginning of 2008 (please see paragraphs 91, 96, 97 and 113 above).

137.3.2 As described above, Mr Cilins stopped working with BSGR towards the end of 2006 and therefore was not involved in any of BSGR's business following that.

137.3.3 In any event, I never believed, and still do not, that Ms Touré was married to President Conté. As I explain at paragraph 87 above, her half-brother, Mr Touré, told me that she was not President Conte's wife, although she did used to tell people that she was.

137.4 In paragraph 20, the Technical Committee states as fact that "*several meetings were organised, especially by Mrs Mamadie Touré, during which the representatives of BSGR insisted that the company be given mining rights, first on the Zogota deposits and, afterwards, on Simandou blocks 1 and 2.*"<sup>65</sup> It is said that the "*representatives of BSGR*" (which I assume includes me) attended these meetings and "*were able to meet with President Lansana Conté*". Later, the Technical Committee Report slightly expands upon this allegation, saying that the meetings which Ms Touré organised at BSGR's request took place "*at her house in Dubreka or in the presidential palace*" and allowed "*BSGR to present to the Head of State and Guinean authorities its wish to*

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<sup>63</sup> Exhibit C-0086, para 16.

<sup>64</sup> Exhibit C-0064, p. 8.

<sup>65</sup> *Ibid.*, p.8, para 20.

*obtain mining titles*".<sup>66</sup> This again is wholly untrue. Paragraphs 110 to 114 above make clear that Ms Touré did not arrange meetings for me or anyone else in BSGR with the President or other government ministers. The claims she makes about specific meetings that I attended are similarly dealt with above – they simply did not happen as Ms Touré says they happened, or at all.

137.5 At paragraph 21, the Technical Committee claims that "*BSGR promised that financial compensation would be paid to the persons who contributed to the favourable outcome of these interventions*".<sup>67</sup> This again, is included in the "*facts*" section of the Technical Committee Report. Further, at paragraphs 27 and 28, the Technical Committee claims (as fact) that "*BSGR offered gifts and granted advantages to Guinean authorities and their direct entourage*" and that "*among the more substantial advantages there were, in particular, those offered to Mrs Mamadie Touré...*"<sup>68</sup> This allegation is later repeated in similar terms and slightly expanded upon, with the Technical Committee Report saying that Ms Touré "*benefitted from various advantages*" as a result of her "*intervention with the President*", and that "*BSGR introduced...a systematic policy of giving valuable gifts to Guinean authorities*".<sup>69</sup> These allegations are similarly entirely false: I never made any payments to Ms Touré whether directly or indirectly, and am not aware that anyone else from BSGR did either (see paragraphs 86 and 130 to 136 above). Nor did I ever make any improper payments or provide any improper benefit to any government officials, and am similarly unaware of anyone else from BSGR doing so either.

137.6 At paragraphs 30 and 31, and again later at paragraphs 122(ii) and (iii), the Technical Committee relies on the February 2008 Contracts as evidence of a "*framework of the intervention of Mrs Mamadie Touré*".<sup>70</sup> As has been made clear repeatedly by BSGR, these contracts are forgeries: I did not sign them or anything like them, and have never signed a contract with either Ms Touré or Matinda (please see paragraph 115 above).

137.7 The Technical Committee Report also states that it was "*because Mrs Mamadie Toure was the wife of the President...that BSGR contacted her*" and adds that this must have been the case because Ms Touré "*did not have any special competence or expertise*" that would otherwise account for BSGR's relationship with her.<sup>71</sup> This is untrue: as will be clear from what I say above, I never believed, and still do not, that Ms Touré was married to President

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<sup>66</sup> *Ibid.* p. 23, para 121.

<sup>67</sup> *Ibid.* p.8, para 21.

<sup>68</sup> *Ibid.* p. 9, paras 27 and 28.

<sup>69</sup> *Ibid.* p. 23, para 121.

<sup>70</sup> *Ibid.* pp. 11-12, paras 30-31 and p. 26, paras 122(ii) and (iii).

<sup>71</sup> *Ibid.* p. 24.

Conté, and in any event, I only ever made contact with her because Mr Touré told me that I should (see paragraphs 87, 89, 96, 97 and 137.3.3 above).

137.8 The Technical Committee Report claims that as a result of its findings in relation to the above, "BSGR obtained the mining titles and the mining agreement in question [by] promising to pay, and indeed paying..... significant amounts to Mrs Mamadie Touré."<sup>72</sup>. This is again categorically untrue. BSGR never made any such promises or payments as far as I am aware, and Ms Touré had nothing to do with the mining titles and/or mining agreement obtained by BSGR, whether as alleged or at all.

### **Reliance by the Technical Committee on the arrest of Mr Cilins**

138. Aside from the Ms Touré affidavit, the Technical Committee also relies on the arrest of Mr Cilins in the United States in its decision to recommend that BSGR Guinea's rights be revoked. At paragraph 137, the Technical Committee Report states that: "*these attempts to destroy evidence [the alleged contracts entered into with Mamadie Touré]... provide sufficient proof concerning the actions of Mr. Frédéric Cilins who, acting on behalf of BSGR, intended to prevent the discovery of the truth concerning the corrupt facts in question*".<sup>73</sup> This statement is categorically false. Mr Cilins was not an agent of BSGR and BSGR was not aware that he was intending to ask Ms Touré to destroy the contracts. The actions of Mr Cilins provide no evidence of BSGR's conduct. For the sake of completeness I explain below my understanding of (i) BSGR's relationship with Pentler; and (ii) the background to Mr Cilins' arrest.

#### **(i) BSGR's relationship with Pentler**

139. I would first like to make clear that I am not aware of any payments Pentler apparently made to Ms Touré or anyone else on BSGR's behalf. I became aware that Pentler had relationships with third parties in relation to work that they had initially carried out for BSGR in 2006, but I never suspected that Pentler had done anything wrong in terms of those relationships.

140. I did not know anything about the role played by Pentler when I arrived in Guinea. I only found out later, in 2007 and from general discussions with Mr Struik, that Pentler had introduced BSGR to Guinea and that Pentler had become a shareholder in BSGR Guinea. I was, however, not involved in the negotiation of any of these agreements. I also found out that Pentler had several other businesses in Guinea, including in pharmaceutical and food

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<sup>72</sup> *Ibid.* p.28, para 127.

<sup>73</sup> *Ibid.* p.31, para 137.

products. I cannot now remember exactly how I knew this. I expect that either Mr Cilins told me when he was working with us in 2006 or Mr Touré told me later on.

141. I was aware at the time (early 2008) that BSGR was negotiating to buy out Pentler's shareholding. I believe Mr Struik told me this. I played no role in this negotiation, and had not seen a copy of the share purchase agreement relating to that transaction until recently. I understand that there is a clause in that agreement which says that Pentler will continue to act as consultants to BSGR in Guinea for a period of five years. Pentler and Mr Cilins played no role in BSGR's projects in Guinea from the end of 2006 onwards. They certainly played no role after March 2008, when this share purchase agreement was signed.
142. I did not know much about Mr Noy, Mr Cilins and Mr Lev Ran. The first time I met Mr Noy was in September 2007 in Israel and only for a few minutes. I met Mr Lev Ran at the end of 2007 or beginning of 2008 in Johannesburg.
143. As I say above, Mr Cilins was in Guinea when I arrived in June 2006. I preferred not to have him around anymore and towards the end of that year I asked him to leave. He was apparently of good assistance to Mr Struik before I arrived, but I did not need him to assist me as project manager. Although I had met with Mr Noy on a couple of occasions, I only properly got to know Mr Lev Ran, Mr Noy and Mr Cilins when Mr Condé came to power and the unfounded allegations against BSGR started to surface.
144. During Mr Pollak's internal investigation into the re-emergence of the forged contracts in my meetings with Mr Hennig, he insisted on the full cooperation of the Pentler principals, which they gave. In addition to this, Pentler offered to try to arrange with Ms Touré that she reconfirm what she had already agreed through her lawyers in July 2010 by way of another declaration. By this time Ms Touré was living in Florida and Mr Cilins arranged to meet her and obtain a declaration from her which they did do, dated 5 May 2012 that again (following her previous withdrawal in 2010) withdrew the allegations and confirmed that the documents were false.<sup>74</sup>
145. Pentler also wanted to explore what other assistance they could provide in mediating the dispute that was emerging between BSGR Guinea /BSGR and the GoG. When they learned that BSGR was having difficulties with President Condé, Pentler approached BSGR to see if they could help. Mr Steinmetz had told me that they always complained that they had not been paid enough by BSGR in relation to the buyout of their shares. My impression was that they wanted to help because if the joint venture with Vale went well and production

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<sup>74</sup> Statement of Mamadie Toure dated 27 April 2012 (Exhibit C-0085).

started from Simandou, they felt they would be able to go back to Mr Steinmetz and ask for more money. Accordingly, Pentler, especially Mr Cilins, had been assisting since the end of 2011 in our discussions with the GoG because they had contacts with intermediaries who tried to negotiate a deal between the GoG and BSGR.

146. I too was involved in these attempts with Pentler. They were, principally, conducted with the assistance of an ex-French diplomat called Francois de Combret. He was a very senior and well respected politician and had been a classmate of President Condé's. I was engaged with the assistance of Mr Cilins and M. de Combret in trying to arrange meetings to sort out the situation all the way through 2012. In the end, two meetings did take place between BSGR, Vale and the GoG. One was in Paris in December 2012 and the other one in London three months later. Both were held in order to find a solution to this crisis. All three parties were represented by their lawyers, however, no agreement could be reached.

**(ii) Arrest of Mr Cilins**

147. Mr Cilins and I never spoke about making the contracts disappear. This would have been a senseless undertaking in any event, considering that there were already a number of photocopies out there (including the ones Mr Hennig had shown me) which would soon be available to the entire world. Pentler had accepted that the difficulties Ms Touré was creating were their responsibility to try to sort. They had had extensive dealings with her in Guinea and Mr Cilins, at least, said he knew her. They had already intervened earlier in 2012 when the documents formed part of the Hennig extortion attempt and when she withdrew her allegations. We were of course happy if Mr Cilins were able to achieve this. Ms Touré was causing a disproportionate amount of trouble. Although it was hard to believe, her evidence (as finally set out in her 2 December 2013 declaration), which was so full of obvious lies and inconsistencies, was being taken seriously by the Technical Committee.

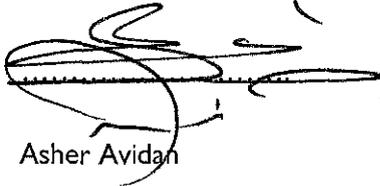
148. I knew Mr Cilins was going to the United States to see Ms Touré and I knew he was going to try to get her to sign a statement. It did not strike me as a good idea, not because I had any idea about any American investigation but because I just did not think that any of these attestations had any value whatsoever – Ms Touré had proven herself to be inherently unreliable. I also thought that considering Ms Touré was assisting the Technical Committee she was most probably working with President Condé and so was unlikely to do anything to help BSGR. Mr Cilins did not, however, go on BSGR's instruction or on its behalf. BSGR did not offer any money or other incentive to him or, through him, to her to sign a statement or destroy documents. When, therefore, I received a call from Mr Noy telling

me that Mr Cilins had been arrested in the United States, I was shocked.

#### H. CONCLUSION

149. Personally, I am sad that BSGR left Guinea under such circumstances and with its name tarnished. When I worked there, I was very involved locally with both our employees and the local people that our sites neighbored. I helped people find doctors when required, for example, and I also campaigned fiercely against FGM (female genital mutilation), which I was shocked to find was an established practice in Guinea and prevalent both in and around the camps we had in the field as well as in Conakry. I hope that at least that impact will remain with those I worked with in BSGR's absence. Locals who we worked with told me that they had named their children after me, so I certainly left something of myself behind.
150. I am immensely proud of what BSGR achieved in Guinea, and feel that both BSGR and the Guinean people were robbed of a genuine opportunity finally to derive some benefit from the huge natural resource that they possessed. As often seems the way in Africa, they were robbed of that opportunity as a result of corruption and dishonesty at the highest levels of Guinean government.

I confirm this statement is true to the best of my knowledge and belief.



Asher Avidan

20 August 2015