

**SETTLEMENT AGREEMENT**

**Entered into by and between:-**

**BSGR STEEL HOLDINGS (LTD)**

**("BSGR STEEL")**

**And**

**PENTLER HOLDINGS LTD**

**("PENTLER")**

**It is record that:-**

1. BSGR Steel and Pentler have entered into an agreement in terms whereof BSGR Steel purchased 17.65% of the issued shares in BSGR Guinea Ltd from Pentler for an amount of US\$ 22 000 000-00 (Twenty two Million United States Dollars) in terms of a share purchase agreement ("SPA");
2. BSGR Steel has made the first two installments of the purchase Price under the SPA and the parties have agreed to amend the payment terms of the SPA for the remaining two installments as stipulated herein below;
3. The amendment shall be effective from the date of signature of this agreement and shall not affect or amend the residual terms of the SPA save as provided for herein.

A.L.



**It is agreed that:-**

**The first remaining installment**

1. The parties hereby agree that the installment for the purchase of the shares in the amount of US\$ 9 000 000-00 (Nine Million United States Dollars), which was due by BSGR Steel to Pentler on 15 April 2009 ("the first installment"), shall be due and payable as follows:-
  - 1.1 the amount of US\$ 4 000 000-00 (Four Million United States Dollars) ("the first installment") within 3 business days of the date of signature of this settlement agreement;
  - 1.2 the amount of US\$ 5 000 000-00 (Five Million Dollars) ("the second installment") on or before the 31st of December 2009;
2. It is specifically agreed between BSGR Steel and Pentler that the payment in clauses 1.1 and 1.2 shall be paid without deduction or set off of any nature whatsoever, that its commitment in this regard is irrevocable and shall be paid on the terms as agreed to herein above irrespective of whether BSGR Guinea Ltd continues its operations in Guinea or elsewhere.

**The third installment**

3. It is recorded between the parties that the third installment due to Pentler by BSGR Steel in terms of the SPA, being US\$ 9 000 000-00 (Nine Million United States Dollars) due and payable on the 15<sup>th</sup> of April 2010 ("the third installment"), shall be paid as follows and on the following terms and conditions:-
  - 3.1 The full outstanding balance in the amount of US\$ 9 000 000-00 (Nine Million United States Dollars) shall be paid on or before the 15<sup>th</sup> April 2011 and not 15<sup>th</sup> of April 2010 as stated in the SPA;

A.L.



- 3.2 The payment of the third installment as stipulated herein shall be paid without deduction or set off of any nature whatsoever;
- 3.3 In the event that BSGR Guinea's operations are stopped in Guinea before 15 April 2010, the third installment will not be payable. However, in the event that BSGR Guinea's operations are stopped after 15 April 2010 the third installment will still be due and payable on the 15th of April 2011, notwithstanding any provision in the SPA, irrespective of whether the operations of BSGR Guinea Ltd are stopped or permanently discontinued for any cause whatsoever after 15 April 2010.

#### **General**

4. BSGR Steel agrees to use its best efforts to make the payment of US\$ 5 000 000-00 (Five Million Dollars) referred to in section 1.2 above on the 31st of December 2009, being its due date. However, should this payment not be made on such date, Pentler hereby irrevocably agrees that it will grant a grace period to BSGR Steel and will not commence any legal proceedings in connection with such late payment until the 15 April 2011.
5. Notwithstanding anything contained in this agreement, BSGR Steel hereby irrevocably acknowledges to be indebted to Pentler in the amount of the second installment in the amount of US \$ 5 000 000-00 (Five Million US Dollars) and, should BSGR Guinea continue its operations in Guinea after 15 April 2010, then also acknowledges its indebtedness to Pentler in the amount of the third installment US \$ 9 000 000 (Nine Million

A.L.





US Dollars) and Pentler shall, in the event of non payment of the amounts referred to in paragraphs 1.2 and 3.1 of this agreement, be entitled to approach the arbitrator in terms of clause 9 of the SPA after 15 April 2011 and shall be entitled to claim immediate summary judgment in terms of this acknowledgement of debt.

6. Any dispute between the parties pertaining to this agreement shall be referred to arbitration in terms of clause 9 of the SPA.

DATED AT \_\_\_\_\_ ON THIS THE 25 DAY OF JULY 2009.

As witnesses:-


1. Natasha de Santopae

2. Natasha de Santopae

  
Sandra Merloni-Horemans  
Attorney in Fact  
For BSGR Steel Holdings Ltd 27/7/2009

1. ARMAN LEUEN

2. \_\_\_\_\_

  
For Pentler Holdings Ltd  
**PENTLER HOLDINGS Ltd**  
Akara Building, 24 De Castro Street,  
Wickhams Cay I, Road Town,  
Tortola, B.V.I.  
reg. n° 682814