

**DECREE A/2010/024/PRG/SGG  
GRANTING A MINING CONCESSION  
TO THE BSG RESOURCES (GUINEA) LIMITED COMPANY**

**THE PRESIDENT OF THE REPUBLIC**

- Considering Communiqué No. 001/CNDD dated 23<sup>rd</sup> December 2008, pertaining to the effective taking of power by the National Council for Democracy and Development, suspension of the constitution and dissolution of the Government;
- Considering Law L/95/036/CTRN, pertaining to the Mining Code of the Republic of Guinea;
- Considering Order No. 006/PRG/CNDD dated 29<sup>th</sup> December 2008, pertaining to creation of the position of Prime Minister, the Head of Government;
- Considering Order No. 007/PRG/CNDD dated 29<sup>th</sup> December 2008, pertaining to the powers of the Prime Minister, the Head of the Government;
- Considering The Minutes of the meeting of the National Council for Democracy and Development (CNDD) for the date of 6<sup>th</sup> January 2010, designating the Minister of National Defence, the 2<sup>nd</sup> Vice President of the CNDD, as Interim President of the Republic;
- Considering Decree No. 001/PRG/CNDD SGPRG/2010 dated 19<sup>th</sup> January 2010, pertaining to nomination of the Prime Minister, the Head of the Transitional Government of National Unity;
- Considering Decree No. 005/PRG/CNDD/SGPRG dated 15<sup>th</sup> February 2010, pertaining to nomination of the members of the Transitional Government of National Unity;
- Considering The Basic Agreement entered on 16<sup>th</sup> December 1009 between the Republic of Guinea and the BSG Resource (Guinea) Limited company for the exploiting of iron oil of ZOGOTA/N'ZEREKORE;
- Considering The request for a Mining Concession prepared by the BSG Resources (Guinea) Limited company in November of 1009 for the exploitation of the iron ore deposits of ZOGOTA/ N'ZEREKORE;
- Considering The Feasibility Study for the exploitation of this mineral, submitted on 16<sup>th</sup> November 2009 by said Company;

Upon recommendation by the Minister in charge of Mines and Geology

**DECREE**

Article 1: The company **BSG Resources (Guinea) Limited**, with head offices in Conakry, Republic of Guinea, P.O. Box 6389, email: guinea@bsgresources.com, has been granted a mining Concession for the prospecting of the iron ore of ZOGOTA covering an total area of one thousand and twenty four square kilometres (1,024 km<sup>2</sup>)

straddling the Prefectures of N°Zékéoré, Macenta, Beyla and Yomou.

Article 2:

2.1 In conformance with the provisions of Article 45 and 46 of the Mining Code of the Republic of Guinea, the duration of the validity of this Concession is set at Twenty five (25) years, renewable.

2.2 This Concession is registered in the Register of Mining Title open for this purpose at the Geology and Mining Information Department (DIGM) of the Centre for Mining Promotion and Development / Ministry of Mines and Energy under No. A 2010/171/DIGM/CPDM.

Article 3: In conformance with the 1/200,000 plans of the Macenta, Beyla, and Tinsou sheets (NC-29-III; NC-29-IV; NB-29-XXI), the perimeters of the thus granted permits are defined by the following geographical coordinates:

<u>POINTS</u>	<u>NORTH LATITUDE</u>	<u>WEST LONGITUDE</u>
A	8°25'00"	8°58'00"
B	8°25'00"	8°47'00"
C	8°14'00"	8°47'00"
D	8°14'00"	8°52'00"
E	8°09'32"	8°52'00"
F	8°09'32"	8°58'00"
G	8°07'44"	8°58'00"
H	8°07'44"	9°00'42"
I	7°55'16"	9°00'42"
J	7°55'16"	9°08'48"
K	7°52'00"	9°08'48"
L	7°52'00"	9°14'00"
M	7°59'34"	9°14'00"
N	7°59'34"	9°07'17"
O	8°03'14"	9°07'17"
P	8°03'14"	9°05'20"
Q	8°09'51"	9°05'20"
R	8°09'51"	9°02'54"
S	8°14'00"	9°02'54"
T	8°14'00"	8°58'00"

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Cf. See Attached map.

Article 4: The assessment of the exploitable mineral potential of the Concession not having been completed at the time of the signature of this Decree, the holder, the **company BSG Resources (Guinea) Limited**, must expand the prospecting work so as to allow a complete as complete assessment of said potential within a period of two (2) years from the date on which this Decree goes into effect.

Article 5: The strategic plan for economic development prepared in the framework of the feasibility study sent to the Department of Mines must be supported as soon as possible from the date of signature of this Concession by a work plan and schedule for the Conakry-Kankan railroad, including its extension to K rouan . These plans and schedule will be submitted to the Ministry of Mines and Energy, which will call on the expertise of the Department of Transport for examination and approval.

Article 6: During this mining Concession, the company **BSG Resources (Guinea) Limited** will be granted, at its request, one or more mining exploitation permit by the Ministry of Mines.

Article 7: During the period of validity of this Title, The Guinean State may conduct or have conducted within the area of the Concession defined above research and/or mining operations of mineral substances other than iron on condition that said operations do not prejudice the normal conduct of the operations of the company **BSG Resources (Guinea) Limited**.

Article 8: For purposes of this Concession, the obligations of the titleholder, the company **BSG Resources Guinea Limited**, to respect regulations regarding hygiene and worker safety, preservation of the environment and restoration of zones affected by work are governed by the provisions specified in Articles 15, 132, 133, 134 and 135 of the Mining Code, Articles 20, 60 and 69 of the Environmental Code and Article 27 of the Basic Agreement signed on 16<sup>th</sup> December 2009.

Article 9: In addition to the abovementioned provisions, the titleholder of this Title is subject to the following payments:

- A fixed, flat-rate Administration Fee following Joint Decree No. A2008/3765./MEF-MMG/SGG dated 10<sup>th</sup> October 2008 of Three thousand (3,000) USD per permit for a total of **Three thousand (3,000) USD**, payable in Guinea francs according to the daily exchange rate to be paid to the CPDM.
- A stamp duty following Joint Decree No. A2008/3765./MEF-MMG/SGG dated 10<sup>th</sup> October 2008 set at Five thousand (5,000) USD per km<sup>2</sup>, for a total of **Five million and one hundred twenty thousand (5,120,000) USD**, payable in Guinea francs according to the daily rate and divided as follows:
  - **Three million, five hundred and eight four thousand (3,594,00) USD** to the Public Treasury as one hand;
  - **One million, five hundred and thirty six thousand (1,536,000) USD** for the Mining Promotion and Development Fund on the other hand;

- A land tax following Joint Decree No. A2008/3765./MEF-MMG/SGG dated 10<sup>th</sup> October 2008 of One hundred and fifty (150) USD per km<sup>2</sup> per year (15 \$US/km<sup>2</sup>/year) for a total of **One hundred and fifty three thousand and six hundred (153,600) USD** payable in Guinea francs according to the daily rate in the locations of implementation of the abovementioned Concession.

Five certified copies of receipt of payment of said tax must be submitted to the CPDM for registration.

Article 10: Before the expiration of the period for which this research permit was granted, it may be cancelled or withdrawn by the Mining Administration under the following circumstances:

- The failure by the titleholder, the **company BSG Resource (Guinea) Limited**, to meet obligations imposed on it by Articles 4, 5, 8, and 9 above.

Article 11: The Ministry of Mines and Geology is responsible for application of this decree.

Article 12: This decree, which revokes any previous contrary dispositions, will take effect from the date of signature and be registered and published in the Official Journal of the Republic.

Conakry 19<sup>th</sup> March 2010, 2010

[signature] [Stamp CNDD – 2<sup>nd</sup> Vice President – the Interim President]

General Sékouba Konate

Vice-President of the CNDD

Interim President of the Republic

Head of State

Copies:

MMG 6

SGG 1

Archives 2

Interested Party 1/10