

PRESS RELEASE –17 February 2009

BSG Resources Guinea (“BSGR Guinea”) is pleased to announce that it has received a further definitive confirmation from the Ministry of Mines and Energy as well as from the President of the Republic of Guinea that its exploration licences for the Simandou Blocks 1 and 2 are valid and have been ratified. Furthermore, the precise boundaries of the concession have been confirmed by the Ministry of Mines and Energy for full and immediate implementation of operations by BSGR Guinea.

Mr Asher Avidan, Director General of BSGR Guinea, states that the BSGR geological team is already on the ground and is working extensively on mapping and dozing activities and that drilling in blocks 1 and 2 will commence within a very short period of time. All exploration activities will be managed from BSGR Guinea’s existing headquarters in Kerouane which is 5km away from Blocks 1 and 2.

Concurrently with the exploration activities, BSGR Guinea will complete technical studies focusing on mining, processing, material handling, and infrastructure and is in the process of engaging reputable international consultants to assist in developing what is considered to be the best known and largest undeveloped world class iron deposit in the world.

Mr Avidan added that the exploration activity in Simandou South is progressing well and at full steam, and anticipates that BSGR Guinea will be able to announce resources in the South by end 2009. Currently this project employs a 500 strong workforce controlled out of N’Zerekoure. BSGR Guinea expects that the exploration activities in Block 1 and 2 will employ a similar size workforce.

For further information, please refer to our website at www.bsgresources.com

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