

BSG RESOURCES LIMITED (the "Company")

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY
HELD AT WEST WING, FRANCES HOUSE, SIR WILLIAM PLACE, ST PETER
PORT, GUERNSEY ON 1st MARCH 2013 AT 2 p.m.**

PRESENT: _____
David Clark
Sandra Merloni-Horemans (by phone)

1. CHAIRMAN, QUORUM AND DIRECTORS' INTERESTS

- 1.1 **IT WAS RESOLVED THAT** David Clark be appointed chairman of the meeting. The chairman declared that a quorum was present and that due notice of the meeting had been given to all directors.
- 1.2 The Chairman explained that in accordance with the Articles in respect of disclosure of Directors' interests and sections 162 to 167 of the Companies (Guernsey) Law, 2008 (as amended) (the "**Companies Law**"), each Director present was required to make:
- a disclosure (in accordance with section 162(1)(b) of the Companies Law) of the nature and extent of any material interest (as defined in the section 167 of the Companies Law) (if any) in the business to be transacted at the meeting; and
 - a general disclosure (in accordance with section 162(3) of the Companies Law) of any material interests (as defined in the section 167 of the Companies Law) (if any) in the counterparty to the business to be transacted at the meeting.

It was noted that none of the directors had any interests in the matters to disclose.

2. BACKGROUND AND PURPOSE OF MEETING

- 2.1 The Chairman explained by way of background that pursuant to a facility agreement originally dated 28 January 2011, as supplemented, amended and restated by an amendment and restatement agreement dated 23 November 2011 (the "**Facility Agreement**"), Standard Chartered Bank (the "**Bank**") provided a US\$120 million facility (the "**Facility**") to Ocea Limited (formerly BSGR Diamonds Ltd.), a company registered in the British Virgin Islands and which is a wholly owned subsidiary of the Company, to be used for the purposes of developing and expanding the diamond mine in Sierra Leone owned by Koidu Limited, a company registered in the British Virgin Islands and which is a subsidiary of Ocea Limited .
- 2.2 It is now proposed that the Facility Agreement be amended and restated, such that, among other things, Ocea Mining Limited ("**Ocea Mining**"), a company registered in the British Virgin Islands and which is a subsidiary of the Company, will accede to the Facility Agreement, pursuant to an amendment and restatement agreement between the Bank as Mandated Lead Arranger, Original Lender, Original Hedging Bank, Agent and Security Agent, Ocea Limited as the Borrower and the Company as Guarantor (the "**Second Amendment and Restatement Agreement**"). As party to the Facility Agreement, the Company is required to enter into the Documents (as defined below) in



order to give effect to the amendments to be made under the Second Amendment and Restatement Agreement.

- 2.3 The chairman explained that the purpose of the meeting is to, inter alia, approve the execution of the Documents (as defined below) in connection with the Facility.

3. **APPROVAL OF AND ENTRY INTO DOCUMENTS**

- 3.1 Substantially final forms of the following documents (the "**Documents**") were produced to the meeting in connection with the Facility:

- (a) the Second Amendment and Restatement Agreement; and
- (b) a director's certificate to be provided to the Finance Parties (as that term is defined in the Facility Agreement as amended by the Second Amendment and Restatement Agreement (the "**Amended and Restated Facility Agreement**")) pursuant to Schedule 2 (*Conditions precedent*) of the Amended and Restated Facility Agreement.

- 3.2 The Chairman explained that it was necessary for the board of directors of the Company (the "**Board**") to consider whether it was in the best interests of the Company to execute the Documents and to undertake the obligations constituted in the Second Amendment and Restatement Agreement and the Amended and Restated Facility Agreement and in reaching the decision to do so it was necessary for the Board to have formed the opinion, in good faith, that the Company's execution of the Documents and the performance by it of its obligations under the Documents is likely to promote the success of the Company for the benefit of its members as a whole.

- 3.3 The meeting then considered the terms of the Documents in detail and whether it was appropriate and in the best interests of the Company to execute the Documents and thereby undertake the obligations contained therein. The Chairman drew the meeting's attention to the following points of relevance in reaching its decision:

- (a) the circumstances in which a demand for repayment of the Facility could be made under the Amended and Restated Facility Agreement;
- (b) the key representations and restrictive undertakings contained in the Documents; and
- (c) the circumstances in which a call could be made on the guarantee under the Amended and Restated Facility Agreement, the likelihood of those circumstances occurring and the potential liability for the Company in relation to that.

- 3.4 As regards the Company's execution and performance of each of the Documents, the following matters were considered (amongst others):

- (a) the likely long-term consequences of the Bank taking action under the Amended and Restated Facility Agreement;

- (b) the fact that the Company's execution of each of the Documents is required in order to give effect to the amendments envisaged by the Second Amendment and Restatement Agreement ; and
- (c) the fact that the Facility, subject to the Amended and Restated Facility Agreement, would be of benefit to the Company and the group of companies of which it is the parent company in conducting its and their current and future business activities.

3.5 After further discussion **IT WAS UNANIMOUSLY RESOLVED THAT:**

- 3.5.1 there is, for the reasons given above, significant commercial benefit to the Company in executing and performing the Documents;
- 3.5.2 consequently, the Company's execution and performance of the Documents is in the best long term strategic and financial interests of the Company and is likely to promote the success of the Company for the benefit of its members as a whole;
- 3.5.3 that no limits on the powers of the Company or its directors, to borrow money, to give guarantees or create security will be exceeded; and
- 3.5.4 having taken account of the Company's financial position, the Company is able to pay its debts as they fall due and its assets will be greater than its liabilities (taking into account its contingent liabilities) at the time of, and immediately after, its execution of the Documents.

3.6 **IT WAS RESOLVED** that:

- 3.6.1 the form and terms of each of the Documents, and the transactions contemplated therein, be and hereby are approved;
- 3.6.2 the entering into of the Documents by the Company and the entering into of any documents, notices or certificates ancillary to the Documents, or that are related to the Documents, be and hereby is approved; and
- 3.6.3 the terms and conditions of the Documents in the form produced to the meeting and the execution, delivery and performance by or on behalf of the Company of the Documents and any ancillary documents which may be required pursuant to or in connection with the Documents (in such form or with such amendments thereto as the person executing or sealing them pursuant to the authority conferred by these resolutions may in his or her absolute discretion think fit) and the exercise by the Company of its rights and the performance by the Company of its obligations thereunder be and hereby are approved.

4. **EXECUTION OF THE DOCUMENTS**

IT WAS FURTHER RESOLVED THAT:

- 4.1 Either of David Clark or Sandra Merloni-Horemans (each an "**Authorised Signatory**") be and is hereby authorised to sign and deliver on behalf of the Company the Documents




(executed as deeds or otherwise) to which the Company is a party with such amendments thereto as such Authorised Signatory may in his or her absolute discretion think fit.

- 4.2 A specimen signature for each Authorised Signatory is annexed hereto and constitutes a part of these resolutions.
- 4.3 Each Authorised Signatory be and is hereby severally authorised to do all acts and things necessary or desirable to give effect to these resolutions and to sign and deliver on behalf of the Company any and all documents (including the giving of any notices) which may be required pursuant to or in connection with the Documents, in such manner or form as such Authorised Signatory may in his or her absolute discretion think fit.
- 4.4 To the extent that any of the Documents to which the Company is a party requires executing as a deed, the signature by any one Authorised Signatory to:
- 4.4.1 such Document in the form of the draft produced to the meeting or with such amendments thereto as an Authorised Signatory may in his absolute discretion consider necessary or desirable;
- 4.4.2 any and all deeds which may be required pursuant to or in connection with the Documents in any way, in such form as an Authorised Signatory may in his absolute discretion consider necessary or desirable; and
- 4.4.3 the delivery thereof by the Company,
- be and is hereby authorised.
- 4.5 The execution by an Authorised Signatory of the Documents shall be conclusive evidence of such Authorised Signatory's approval of any amendments which may have been made thereto.
- 4.6 **IT WAS ALSO RESOLVED** that each Authorised Signatory be and is hereby severally authorised to do all acts and things necessary or desirable pursuant to or in connection with the Documents (including but not limited to signing and delivering on behalf of the Company any and all documents in connection therewith), as the Authorised Signatory may in his absolute discretion determine.
5. **CLOSE OF MEETING**
- 5.1 There being no other business the chairman declared the meeting closed.



chairman

6. ANNEX – Specimen signatures of each Authorised Signatory

NAME	POSITION	SPECIMEN SIGNATURE
David Clark	DIRECTOR	
Sandra Merloni-Horemans	DIRECTOR	