

The Mine Permit was issued by the Government of Mali April 7th 2003 to Avnel Gold. A web copy of this permit can be read below. Click here to download a printable copy of the permit.

**PRIMATURE**

**REPUBLIC OF MALI**

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**GENERAL SECRETARIAT  
OF THE GOVERNMENT**  
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**ONE PEOPLE - ONE GOAL - ONE  
FAITH**  
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**DECREE N°03147/PM-RM dated April 7, 2003**

Transferring to the benefit of AVNEL GOLD LIMITED, the exploitation permit for gold and silver issued to La Société de Gestion et d'Exploitation des Mines d'Or et de Kalana.

**The Prime Minister**

Acknowledging The Constitution:

The Ordinance n°99-032/P-RM dated August 19, 1999 pertaining to the Mining Code on the territory of the Republic of Mali, modified by the Ordinance n°00-013/P-RM dated February 10, 2000;

Acknowledging The Ordinance n°92-008/P-CTSP dated February 4, 1992 pertaining to the dissolution of the Société de Gestion et d'Exploitation des Mines d'Or de Kalana ;

Acknowledging The Decree n°99-055/PM-RM dated March 18, 1999 pertaining to the cancellation of the transfer of the exploitation permit of Kalana to the benefit of Ashanti Goldfields Company Limited and Johannesburg Consolidated Investment Company Limited;

Acknowledging The Decree n°99-255/P-RM dated September 15, 1999 approving the conditions to apply the Ordinance n°99-032/RM dated August 19, 1999 ;

Acknowledging The Decree n°02-490/P-RM dated October 12, 2002 appointing the Prime Minister;

Acknowledging The Decree n°02-496/P-RM dated October 16, 2002 duly modified, appointing the Members of the Government;

**DECREES AS FOLLOWS:**

Article 1 : The exploitation permit for gold and silver, issued to La Société de Gestion et d'Exploitation des Mines d'Or de Kalana « SOGEMORK » by Decree n°305/PG-RM dated December 17, 1984 is renewed as from December 17, 1999 on the perimeter

registered on the register held by DNGM as n°PE 001/84 Bis exploitation permit of Kalana (Circle of Yanfolia)

**Article 2: The exploitation permit for gold and silver within the area of Kalana (Circle of Yanfolila) issued to the Société de Gestion et d'Exploitation des Mines d'Or de Kalana, « SOGEMORK », renewed is transferred to the benefit of the company AVNEL GOLD.**

ARTICLE 3: The perimeter of such an exploitation permit is defined as follows:

**Perimeter: A, B, B1, B2, C, D, E, F, G, H**

- A: Intersection of the Mali-Guinea borderline with parallel 10°44'00''N. From point A to point B following parallel 10°44'00''N.
- B: Intersection of the parallel 10°44'00''N with the meridian 8°13'30''W. From point B to point B1 following the meridian 8°13'30''W.
- B1: Intersection of the meridian 8°13'30'' W with the parallel 10°48'30'' N. From point B1 to point B2 following the parallel 10°48'30''N.
- B2: Intersection of the parallel 10°48'30 N with the meridian 8°12'00''W. From point B2 to point C following the meridian 8°12'00''W.
- C: Intersection of the meridian 8°12'00''W with the parallel 10°49'47'' N. From point C to D following the parallel 10°49'47''N.
- D: Intersection of the parallel 10°49'47'' N with the meridian 8°10'00''W. From point D to E following the meridian 8°10'00''W.
- E: Intersection of the meridian 8°10'00''W with the parallel 10°44'00''N. From point E to F following the parallel 10°44'00''N.
- F: Intersection of the parallel 10°44'00''N with the river of Ouassoulou-Balé . From point F to G following the Ouassoulou-Balé.
- G: Intersection of the Ouassoulou-Balé with the parallel 10°37'47''N. From point G to H following the parallel 10°37'47''N.
- H: Intersection of the parallel 10°38'00'' N with the Mali-Guinea borderline. From point H to A following the Mali-Guinea borderline.

**Landmark:** The landmark is situated at 94 meters, direction 42°N of the geodesic stone located at the entrance of the Dalagoue village. The coordinates are : 10°43'30''N and 8°14'32'' W.

The angle B of the perimeter is linked to the landmark point as follows:

- distance : 2, 058 km
- direction : 63° N

**Surface area : 387 km<sup>2</sup>**

Article 4: The exploitation permit is granted for a period of time of thirty (30) years as from the date of signature of the present Decree.

**Article 5: The company AVNEL GOLD shall invest during the first 3 years of validity of the exploitation permit a total amount of 1.335.000 US \$, approximately 900 millions of F CFA corresponding to the exploration and development works on the perimeter of the permit, divided as follows:**

- 270.000 US \$ for the 1st year;
- 365.000 US \$ for the 2nd year;
- 700.000 US\$ for the 3rd year.

Article 6: If, at the end of the above-mentioned three-year period, Avnel Gold has not begun commercial production of the Kalana Deposit, Avnel Gold must deliver to the State an evaluation report highlighting the technical and economic factors that seemingly have prevented commercial exploitation.

In such an event, the State shall negotiate with AVNEL GOLD the terms for granting a research and prospecting permit in accordance with the provisions of the Mining Code.

The Kalana Deposit defined in Annex I of the Foundation Agreement signed between the Government of the Republic of Mali and Avnel Gold shall be excluded from the area of such permit, the surface-area of which shall not exceed one-half of the present Mining Permit

**ARTICLE 7 :** In accordance with the provisions of articles 72, 73, 74 and 75 of Ordinance n° 99-032/P-RM of August 19, 1999 , The holder of the permit will have to address to the Director of Mines throughout exploitation:

- an annual report relating to the incidences of the exploitation on the occupation of the grounds and the environment and population health;
- an annual report in four (4) copies, corresponding to the fiscal year of Company AVNEL GOLD including the technical and social elements of operation of each site of exploitation and the elements relating to the production and the sales. This report must contain all the necessary plans, figures, cuts, tables, photographs.

Moreover, the holder of the licence will have to hold on his building sites:

- a register with information and plans following the indications contained in the mining rules which will take into account the nature and the importance of the exploitation;
- a register on the progress of the works;
- a register of daily check of the labour;
- a register of extraction, storage, sale and forwarding;
- a register of employer in conformity with the provisions on the regulation of work.

**ARTICLE 8** : Pursuant to the provisions of article 85 of the Decree n° 99-255/P-RM of September 15, 1999 , the holder of the licence must provide to the Director of Mines in first quarter of each year, the following documents:

- a) the analytical summary of the register of progress of the work carried out during the previous year;
- b) the number of working days of the managerial personnel (engineers and comparable);
- c) the situation and evolution of the personnel;
- d) the weight, the nature and content of the extracted rough ores;
- e) the weight, the nature and content of the various batches of ores or market products with indication of the places, dates of forwarding, loading and the destinations;
- f) the inventory position of the gross products and the commercial products at December 31;
- g) the detailed state of the accidents having involved a disability of more than four (4) days (name of the victims, dates, causes apparent);
- h) the assessment of the activities of control (measurements, proportionings, observations) of the maintenance of the quality of research;
- i) the statement of expenditures engaged in research tasks;
- j) the annual balance sheet to which will be annexed the operating statement, the profit and loss account, the provision and amortization table;
- k) the forward programme of production of the current year.

**ARTICLE 9** : The cancellation of this exploitation permit will be pronounced by decree in the event of non execution of the commitments outstanding in accordance with the legislation in force.

**ARTICLE 10** : This decree which repeals all contrary former provisions, will be recorded and published in the Official Journal.

**Bamako , April 7, 2003**

**The Minister of Mines,  
Energy and hydrolic,**

**Hamed Diane SEMEGA**

**The Prime Minister,**

**Ahmed Mohamed AG HAMANI**

