SOVEREIGN MINES OF AFRICA PLC

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SMA�s first operating subsidiary, Sovereign Mines of Guinea Limited (SMG), was formed in partnership with the Republic of Guinea in January 2010. The Company selected Guinea as the launch country with which to establish its initial private-public partnership because of its well recognized mineral potential and the strong interest and enthusiastic cooperation of the government in developing its mineral industry as a participating stakeholder.

The potential of Guinea, and its attractiveness for minerals investment, is strongly supported by:

- Status as foremost producer of bauxite in the world.
- Occurrence of major iron ore and gold deposits and significant potential for base metals, diamonds and other mineral commodities.
- Lack of modern exploration relative to other West African countries due to inaccessibility to western interests during Soviet Era, political instability of the past 20 years and poor infrastructure.
- Recently reformed Mining Code and improved regulatory framework put into place by existing, freely elected government.
- Government motivated to encourage investment develop the minerals industry.

SMG�s project portfolio consists of three gold concessions, including the developing Mandiana-Magana project which is focus of its principal initial exploration activity, identified on the basis of known gold mineralization indicated through limited past work, favorable geological conditions, and strategic location near major deposits. The concessions have been carefully selected by the SMA geological team, headed by Dr. Yury Deryugin with his extensive experience in the country, in cooperation with geologists from the Guinean Ministry of Mines representing the 25% government interest in SMG.

We are honoured that Dr. Yamousa Bangoura, the Mining Advisor to the President of Guinea and Aboubacar Kagbe Toure, Deputy General Administrator of SOGUIPAMI and Chairman of United Bank of Africa Guinea, represent the Government�s shareholding as Directors of SMG.