

【 Press Release 】

Honbridge Holdings Limited Latest Development of the Brazil SAM Project

(Hong Kong, 18 Jul, 2012) – On 16 June 2010, SAM and MG Government entered into a MG-MOU, pursuant to which the parties agreed to conduct a wide range of cooperation to support the implementation of the Project in relation to, amongst all, mining, processing plant and pipeline in MG. On 12 July 2012, SAM and MG Government entered into a supplementary MG-MOU.

According to the supplemental MG-MOU, SAM agreed: to construct an open-pit mine at Block 8 of SAM Iron Ore in the northern part of MG; a beneficiation plant with carrying capacity of 25 million tons per year of iron concentrate; a slurry pipeline to the port (with about 198 km inside the border of MG); a dam and related facilities to support the water usage of the Mine and partly for the local residents and for irrigation; all necessary imported equipment for the Mine will go through MG customs.

MG Government agreed: to endeavour the issuance of relevant environmental permits (LP) as soon as possible; to provide support and assistance in relation to the Project's land, labour and relevant areas; to assist SAM to obtain pipeline pathway permits; to assist, in accordance with applicable laws to obtain relevant permits for imports, or the deferral of goods consumption tax levied on the purchase of merchandise, equipment, raw materials, work in progress, packaging, until SAM starts the export of iron concentrate.

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