



## Delay of the Konongo Mining Project

The Konongo Project mining preparations have been temporarily delayed due to a nationwide investigation into illegal mining activities in Ghana.

All mining in the country has been suspended whilst the investigation is conducted. Nine District Mining officers of the Minerals Commission have also been suspended pending the outcome of the investigation.

To date, SMG has not conducted any mining projects in Ghana and has under no circumstance engaged in any unauthorised or illegal activity. We strongly oppose any misconduct in the mining sector and are pleased the appropriate action has been taken to stop illegal mining and the associated potential for environmental damage.

*The President of Ghana has been quoted as saying "I haven't said that I am going to stop mining. Mining has been done for decades in this country by several generations. I am only saying that, I am against those mining without legal backing. Illegal mining, that is what I am against."*

Once the current temporary nationwide mining suspension is lifted, SMG will continue with preparations to commence mining within the Konongo Project Joint Venture and continue the process of securing EPA approval for the Company's Kwahu Praso project (100% SMG).

In an unrelated incident, the Company has suffered the loss of a number of pieces of equipment due to theft. Security over the Company's assets has been strengthened as a result of the theft.

SMG looks forward to continuing working with the government to develop the mining sector in Ghana and to contribute to the local and national economy.

END

Ching-Tiem Huang  
Managing Director