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## Beny Steinmetz Puts Mining Company BSGR Into Administration (1)

- **BSGR fighting multiple legal battles over Guinea iron deposit**
- **U.S., Israeli prosecutors said rights were obtained corruptly**

By Thomas Biesheuvel

(Bloomberg) -- Billionaire Beny Steinmetz's mining company put itself into administration as it fights legal battles on multiple fronts over the disputed rights to one of the world's biggest untapped iron ore deposits.

"We're not in liquidation, no one is forcing this upon us," Dag Cramer, a director of BSGR, said by phone. "This is drawing up the drawbridge, filling up the moat, putting some sharks in the moat, to make sure we can stay the distance on both the arbitration and litigation that we have, even if there are adverse awards or developments that would normally prevent us from doing this."

BSG Resources Ltd. is seeking compensation at the World Bank arbitration tribunal in Paris after Guinea stripped it of a license to mine half the giant Simandou deposit in 2014. The company also is suing George Soros, claiming the billionaire cost it \$10 billion through a defamation campaign that caused it to lose the rights.

Brazil's Vale SA filed its claim at the private arbitration court after Guinea stripped its joint venture with BSGR of its rights to Simandou following a government probe that found licenses were obtained through corruption. Vale is seeking the award to cover an upfront payment to BSGR and money it invested in the West African nation. BSGR has previously said it's confident it will prevail in the dispute.

### Steinmetz Probe

At the same time, Steinmetz is being probed by Israeli prosecutors, who accuse BSGR of paying millions of dollars in bribes to Guinean officials to secure the rights. He was detained in 2016 and released on bail and his travel was restricted, before those restrictions were lifted last year. He has also faced a U.S. investigation. Steinmetz has denied any wrongdoing.

BDO LLP was appointed as administrator yesterday by the Royal Court of Guernsey, where BSGR is registered. Cramer said this will not impact the trading of any of its subsidiary businesses, including the Koidu diamond mine in Sierra Leone.

"We're putting ourselves in the hands of professionals who will protect us during the remainder of the race," he said.

(Updates with arbitration details in fourth paragraph.)

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## News Story

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