

**AGREEMENT OF ASSIGNMENT OF MINING PERMITS
N° 08 dated March 30, 2004**

Between the undersigned

MADAGASCAR PLACERS Sarl

RCS: 18874 NIF: 4328459 STAT: 598100

whose registered offices are located Immeuble Ylang Ylang. 31, Rue Andrianary Ratianarivo, Ampasamadinika. (102) Antananarivo – Madagascar

represented by Mr Mamod Rizwane NASSOR, acting as its Statutory Manager

hereinafter referred to as "Assignor"

on the one hand,

and

PAM Madagascar Sarl

RCS: 2003B00990 NIF: 9352639 STAT: 643068

whose registered offices are located Lot ITP 23 Antsavatsava. Itaosy.

(102) Antananarivo – Madagascar

represented by Mr Irwin Alois OLIAN Jr, acting as its Statutory Manager

hereinafter referred to as "Assignee"

on the other hand,

It is beforehand reminded that

This agreement cancels and replaces previous drafts and contracts.

It has been agreed as follows

Art. 1: Purpose

The Assignor, firmly and irrevocably assigns, in return for payment, in respect of ordinary and legal guaranties, to the Assignee, who accepts, the appended 4 (four) mining permits of PR (Permis de recherche) type :

- 1) PR n° 1070 composed of 3 (three) squares located in Dabolava in the province of Toliara
- 2) PR n° 1071 composed of 8 (eight) squares located in Dabolava in the province of Toliara
- 3) PR n° 1072 composed of 5 (five) squares located in Ajoma Ramartina in the province of Antananarivo
- 4) PR n° 1074 composed of 10 (ten) squares located in Dabolava in the province of Toliara

he is entitled to, for the full duration of such permits.

The present assignment involves the transfer of all the rights and the duties of performance.

Art. 2: Origin

The Assignor is entitled to the above-mentioned and appended 4 (four) mining permits of PR (Permis de recherche) type for he regularly acquired them :

- 1) PR n° 1070 was granted to the Assignor by Order N° 2169/2001 on February 20, 2001
- 2) PR n° 1071 was granted to the Assignor by Order N° 2167/2001 on February 20, 2001
- 3) PR n° 1072 was granted to the Assignor by Order N° 2166/2001 on February 20, 2001
- 4) PR n° 1074 was granted to the Assignor by Order N° 2168/2001 on February 20, 2001

for he lodged requests to the Ministry of Energy and Mining. Such permits were all granted and approved by the Bureau du Cadastre Minier de Madagascar and the Ministry of Energy and Mining.

Art. 3: Effective date

- 3.1. Assignment is progressive and comes into force from the agreed dates of payment;
- 3.2. Assignment of mining permit N° 1070 and its transfer of ownership will take place at signature of the present agreement;
- 3.3. Assignment of mining permit N° 1074 and its transfer of ownership will take place at the latest 6 (six) months after signature of the present agreement;
- 3.4. Assignment of mining permit N° 1071 and 1072 and their transfer of ownership will take place at the latest 12 (twelve) months after signature of the present agreement.

Art. 4: Financial provisions

- 4.1. Assignment of mining permit N°1070 is concluded and accepted in consideration of 75,000 USD (seventy five thousand US Dollars);
- 4.2. Assignment of mining permit N°1074 is concluded and accepted in consideration of 75,000 USD (seventy five thousand US Dollars);
- 4.3. Assignment of mining permits N° 1071 and 1072 is concluded and accepted in consideration of 50,000 USD (fifty thousand US Dollars);
- 4.4. These payments are to be wired on the Assignor's bank account in Madagascar within 15 (fifteen) days, at the latest, after agreed deadline.

Art. 5: Special provision

- 5.1. Even if the Assignee formally renounces to buy mining permits N° 1071, 1072 and 1074, his purchase of mining permit N° 1070 will be definitely acquired to him ;
- 5.2. In case of effective acquisition of mining permit N° 1074 by the Assignee, if he formally renounces to buy mining permits N° 1071 and 1072, his purchase of permits N° 1070 and 1074 will be definitely acquired to him ;
- 5.3. if the Assignee succeeds in developing a commercial mine on any of the permits, then Assignee will pay to Assignor a one-time fee in the sum of 25,000 USD (twenty five thousand US Dollars) upon the date of commencement of commercial mining activities.
- 5.4. The parties formally acknowledge that:
 - this agreement has been concluded on a fair and equitable basis;
 - transfer of title from the Assignor to the Assignee happens upon signing the present agreement;
 - they are aware of the dispositions of the Law N° 99-022 dated August 19, 1999 entitled « Mining Code » and of the Order N° 2000-170 dated March, 15, 2000 setting conditions for the application of Law N° 99-022, especially in terms of environmental obligations.
- 5.5. The Assignor agrees that:
 - he has full legal capacity to assign the above-mentioned mining permits and that the above-mentioned mining permits are free from any pledge, any right and any encumbrance of any sort;
 - he will not assign all or parts of the mining permits to third party until the Assignee notifies his waiver by registered post.

5.6. In accordance with the above-mentioned laws, the present assignment will be registered at the Stamp and Registration Department in Antananarivo. Both parties should be provided with copies of the registration and acceptance by the Bureau du Cadastre Minier de Madagascar.

5.7. Certified copies of the above mentioned 4 (four) mining permits of PR (Permis de recherche) type are appended and not dissociable to the present agreement.

Art. 6: Modifications

No amendment of any of the provisions of the present agreement shall be binding unless it in writing and signed by a duly authorised representative of the party to be bound thereby.

Art. 7: Applicable law

The present assignment agreement is governed by the laws of Madagascar.
In case of litigation, only the jurisdiction of Antananarivo will be competent.

Art. 8: Costs and registration fees

Costs and registration fees related to the present assignment and all costs in consequence shall be borne and paid for by half by the Assignee and by half by the Assignor, who both commit to do so.

Executed in Antananarivo on March 30, 2004 in four copies, one given to each party.

The Assignor

The Assignee

For MADAGASCAR PLACERS Sarl
Mr Mamod Rizwane NASSOR
Agreed

For PAM Madagascar Sarl,
Mr Irwin Alois OLIAN Jr,
Agreed

Authorised signature

Authorised signature

"Mamod Rizwane Nassor"

"Irwin A. Olian"

Total number of pages: three

Deletion, alteration, apostil or addition: none