

ROBERT VON PALACE- KOLBATSCHENKO
FAX 0027-21- 439 13 76

TO : LONGREACH GOLD OIL LTD
MR. BORIS GANKE

RE. YOUR FAX FROM 24 MAY

30 MAY 1996	
BE	✓
RNR	✓
FILE	P 720 - C
DESTROY	

DEAR BORIS,

THANK YOU FOR YOUR FAX AND THE DRAFT AGREEMENTS RE. MR. BOJE.
I HOPE MY LETTER WILL FIND YOU AND KARIN IN GOOD HEALTH.
I RETURNED BACK TO CAPE TOWN LAST NIGHT, I WAS IN NAMIBIA AND JHB.

I FULLY AGREE WITH THE CHANGES ON THE PROPOSED DRAFT AGREEMENT,
ALTHOUGH I FEEL THAT THE POINT 4.4. HAS TO BE DELETED. ONE CANNOT
ASPECT TO REIMBURSE THE 250.000.-\$ OUT OF A DREDGING OPERATION.
THIS COST HAS TO BE SUPPORTED BY THE COMPANY EXPLOITING THE ENTIRE
CONCESSION AND NOT BY AN INDIVIDUAL EXPLOITING JUST A PIECE OF A RIVER.
I WILL TALK TO STEVE TOMORROW ON HIS RETURN FROM LONDON.

REGARDING YOUR PERPLEXITIES IN CONNECTION WITH THE LICENCES TO BE
FINALISED NEXT WEEK, I DO NOT UNDERSTAND WHAT YOU CALL "MISSING
LINKS" I AM OF THE OPINION THAT THE CONCESSION HOLDERS WILL BRING TO
CAPE TOWN THEIR CONCESSION PERMITS DULY SIGNED AND APPROVED BY
ENDIAMA, AS WELL AS THE TERMS AND CONDITIONS UNDER WHICH ENDIAMA
RELEASED TO THEM SUCH PERMITS. I HAVE TO ASSUME THAT ROBERTO HAS
CHECKED ALL THE TERMS AND CONDITIONS AND THAT SAME DO NOT DIFFER
FROM OTHER PERMITS GRANTED BY ENDIAMA.

AT THE SAME TIME, WE HAVE TO BEAR IN MIND THAT MOST OF THESE
CONCESSION HOLDERS ARE THE RELEVANT PERSONALITIES OF ANGOLA AND
THEY WOULDN'T COME ALL THE WAY TO CAPE TOWN TO WASTE THEIRS AND OUR
TIME. I WOULD BE A BIT MORE CONFIDENT.

MEANWHILE, THE MINISTER OF MINE AND GEOLOGY HAS APPROVED OUR PROJECT
OF GEMA DOURADA AND THE SAME FIGURES ON THE NEXT AGENDA OF THE
COUNCIL OF THE MINISTERS, WHICH I DON'T KNOW WHEN WILL FIND PLACE YET.

I WOULD APPRECIATE IF YOU WOULD FAX TO ME YOUR ARRIVAL DATE IN CAPE
TOWN IN ORDER TO MAKE THE NECESSARY ARRANGEMENTS.

PLS, BEAR IN MIND THAT THE ENTIRE DELEGATION WILL BE HERE ON SUNDAY
THE 2ND.


-2-

WE HAVE GONE ALREADY A LONG WAY AND I WOULD RECCOMEND A BIT MORE PATIENCE IN ORDER TO FINALISE EVERYTHING TO THE BEST OF OUR ADVANTAGE. THERE ARE A LOT OF COMPANIES HERE AND IN ANGOLA WHICH HAVE BEEN WAITING A FEW YEARS, MOSTLY FOR SOMETHING DEFINITLY LESS IMPORTANT AND AMBITIOUS THAN OURS.

I FEEL THAT WE ARE VERY CLOSE TO THE FINALISATION OF SOME OF THE MOST IMPORTANT PROJECTS OF ANGOLA.

AWAITING YOUR KIND RESPONSE,

BEST REGARDS,


R. VON PALACE-K.

CC: R. SANTARELLI
S. PHELPS