

Africo Resources Limited  
Suite 1540  
800 West Pender Street  
Vancouver  
V6C 2V6  
British Columbia  
Canada

July 19<sup>th</sup> 2005

Mr A Berardone  
c/o Swanmines sprl  
39 Avenue Lafoi  
Qtr. Golf  
Lubumbashi  
DRC

Re: Termination of Employment Contract

Dear Alex,

Further to our discussions and consultation regarding the companies decision not to renew your employment contract at the end of July 2001 I hereby confirm the terms of settlement of the your contract as follows;

- a. Your final day at work will be July 31<sup>st</sup> 2005, the final day of your contract. You will be paid normally for the month of July.
- b. You will be paid a severance payment equal to three months salary at a rate of \$4,500 per month, i.e. \$13,500.
- c. As you did not take any of your leave entitlement of 21 days annual leave and 15 days casual leave during the term of your contract you will be paid out the value of this annual leave on a pro rata basis for the nine months that you have been in the employ of the company, i.e.  $36 \text{ days} \times \frac{9}{12} = 27 \text{ days}$ . The amount per day shall be calculated by dividing your monthly salary by 21 working days per month, i.e.  $27 \times \$4,500 / 21 = \$5785.71$
- d. Should you return to Uruguay the company will pay the cost of your air tickets for yourself and your wife. If the tickets to be purchased are return tickets the company shall pay half the cost of the tickets. As you have already purchased return tickets to Johannesburg these will be included in the cost to be borne by the company at the time of purchase of the tickets to Uruguay. Should you not return to Uruguay the company will reimburse you the cost of the tickets to Johannesburg once you have used them.

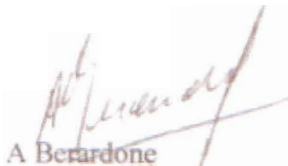
- e. Should you return to Uruguay on a one way journey the company will pay the cost of removal of the personal goods you brought to Lubumbashi at the time you moved there in November 2004. If you take a return trip from DRC to Uruguay the company shall not bear the cost of removal of your personal goods.
- f. You may remain in residence in the company house, Les Roches, until the end of August at no cost. You will be required to sign off the inventory of company goods in the house.
- g. You will be required to return the company car and keys to the company office on or before July 31<sup>st</sup> 2005.
- h. The terms of settlement in this letter represent full and final settlement of your contract with the company.
- i. Signature of this letter constitutes full acceptance of the terms of this letter.
- j. This settlement agreement is verified and witnessed by Mr. P Kasongo by his signature herunder.

Please indicate your acceptance of these terms of settlement of your contract termination by signing below and by initialing the front page.

 19/7/05

MJ Keating  
Chief Operating Officer  
Africo Resources Limited

Accepted in full by Mr A Berardone

  
A Berardone

Witnessed by Mr P Kasongo

  
P Kasongo