

RONG-AN INC



PROJECT SUMMARY

Re Application for an Environmental Authorization In Relation To State Forest Exploratory Permit 2/2011



July 24, 2015

1. INTRODUCTION

Rong-An Inc. was incorporated in Guyana under the provisions of the Companies Act of Guyana on September 1, 2006 (see Annex 1). The Company plans to invest more than US\$50million in Guyana in various sectors including an initial US\$20m in the forestry sector. To this end it has established an office at 139, Lindley Avenue, Nandy Park, EBD and has complied with all the necessary requirements for corporate entities (see for example TIN certificate in Annex II) and currently employs seventy persons.

On the basis of its application for a State Forest Exploratory Permit (SFEP) to the Guyana Forestry Commission (GFC) granted a State Forest Exploratory Permit (SFEP) designated 2/2011 for an area of 57,929.60 hectares of forest resources in the upper right bank Berbice River (see Annex III). The SFEP grants the company the legal authority to:

- a) Establish partnerships with other developers in the natural resources sector in the upper Berbice River, including but not limited to loggers, loggers associations and communities;
- b) Collect baseline data on the natural resources and land use respectively within the concession area itself with emphasis on forestry resources;
- c) Review the legal, economic and social framework impacting on logging operations in Regions 6 and 10 with a view to determining business options for concession area;
- d) Estimate the nature and extent of merchantable timber within the concession and the feasibility of carrying out timber harvesting in line with the suite of prescribed forest management parameters. This also includes analysis of the road infrastructure, equipment and skills sets necessary to carry out timber harvesting within the concession area;
- e) On the basis of the foregoing, to present to the EPA, the GFC and other relevant agencies, feasible and practical measures to address effectively any negative impacts that emerge from timber harvesting operations and ancillary works within the concession area or its environs with a view to obtaining an Environmental Permit from the EPA and a forest concession agreement from the GFC.

To assist with these, tasks, Rong-an Inc. has recruited Mr. Godfrey Marshall, consultant, who will work with other experts to produce a report acceptable to the Government of Guyana and other stakeholders generally and the EPA in particular.

2. Overall Objective of the Company

The overall strategic objectives of the Company are to:

- a) Acquire a forest concession agreement that would grant rights for the harvesting of timber from the agreed productive areas within the concession, subject to a cutting cycle and applicable forest management prescriptions agreed with the GFC (and the EPA and other agencies);