

# Gorham & Partners

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## **GORHAM AND PARTNERS (G&P) AND ITS TEAMS' REFERENCES FOR GENESIS ENERGY INVESTMENT PLC (GENESIS)**

### **Overall scope of the consulting work programme**

Genesis plans to engage G&P to assist the company develop a business plan and business evaluation for the mining assets the company owns at Rudabanya in the north east of Hungary; in parallel, G&P will effect introductions to potential investors or joint venture partners for Genesis.

G&P and the members of the team that will be engaged on this project have a long and successful record in business planning and hands-on M&A consulting work since our inception in 1972.

The references we provide below cover both mining and metals references and references from other sectors we have worked in. We have provided introductions to the appropriate senior executives in our client companies in the metals and mining sector. If you plan to contact a reference, please ask us first to explain to them why they will be contacted by you.

Please also note that the references include Gorham & Partners' projects and projects carried out by its team planned to work on the Genesis assignment.

In choosing the reference assignments we have been guided by the following requirements of the Genesis project:

- Evaluation of the commercial options available to a mine in its development phase
- Fast track development of a high quality viable business plan for mining sector clients
- Researching and interpreting undocumented markets as a guide to a client's competitiveness in each
- Experience of appraising a mine in development and presenting it and the junior miner owning it in a fair, attractive way to potential investors in a sales prospectus and presentation of investor shortlist
- Experienced advice on company's M&A policy – divestment, inward investment, joint ventures
- Experience and understanding of the necessary steps in taking a project from resource definition through to the feasibility and development stages. A thorough understanding of the technical requirements and issues influencing those steps.

### **A. Reference assignments**

#### **1. Evaluation of the commercial options available to a mine in its development phase for the pre-feasibility study**

Reference client: Rio Tinto Plc

Executive contacts and position:

- Bruno Hegner, Managing Director Copper Projects
- Ian Woods, Project Director, La Sampala nickel mine, Indonesia

Assignment summary

Rio Tinto wanted to understand in detail all the commercial choices they had at their disposal when the La Sampala nickel mine in development was fully operational as part of the pre-feasibility study. G&P investigated, documented and quantified the nickel value chain, investigated the future nickel supply demand balance and the future nickel price, investigated nickel mines' cost curve and La Sampala's position on it, advised Rio Tinto on the most commercially attractive product options to go for and the involvement in the nickel value chain they should consider. We advised on the differing capex requirements of the various options considered and on the preferred commercial options for marketing the cobalt that would be a by-product of the mine.

## **2. Fast track development of a high quality business plan**

Reference client: De Beers

Executive contact and position: Stephen Lussier, Executive Director, External and Corporate Affairs

Assignment summary

G&P was engaged by De Beers and other leading diamond producers to prepare a comprehensive business plan for a new collaborative organisation whose activities would promote the overall business interests of the world's diamond industry. The timescale allowed was three months. We consulted with all the intended stakeholders in the new business across all the important parameters: which businesses would be prepared to invest in it, how much for varying classes of member, the range and scale of the activities of the business, management structure and CEO shortlist and a detailed marketing plan for diamond jewellery. The plan was presented on time to ca 70 members of the new business in London in July 2009.

## **3. Researching and interpreting undocumented markets as a guide to a client's competitiveness in each**

Reference client: Worshipful Company of Goldsmiths

Executive contact and position: Peter Taylor, Technology Director

Assignment summary

We carried out a groundbreaking review of the competitiveness of UK jewellery companies by comparing their performance with their counterparts in the jewellery sectors of Italy, India, Turkey, Thailand and Hong Kong. We researched through direct contact with the key players in each country what made these five countries the most competitive jewellery players in the world and compared their performance with what was being achieved by companies in the UK. This led to the creation of the National Jewellery Steering Group (NJSJG) in response to G&P's Competitiveness Analysis of the UK jewellery sector. The NJSJG is pursuing several initiatives aimed at improving the competitiveness of jewellery companies vs their global competitors.

## **4. Hands-on experience of the process by which mining sector investors assess the merits of an investment opportunity in the mining sector**

Reference Client: Timber Cove

Executive contact and position: Janos Libor, Managing Director

Assignment summary

Provided technical due diligence on a multi-million dollar investment participation in the development of a new platinum mine in South Africa. Timber Cove is an investment management company.

## **5. Mining and Exploration Process –Advisory**

Reference Client: Mildwaters Consulting LLP

Executive contact and position: Kieren Mildwaters, Partner

Assignment summary

Provide ongoing mineral industry and geological technical advice to support Mildwaters in their capacity as lawyers acting for the mining and exploration sector. Mildwaters Consulting LLP is a law firm dedicated to the natural resource sector, they provide legal advice, structuring and support across a wide range of corporate, commercial and financial activities within the natural resources sector.

**6. A thorough understanding of the stages from brown-field exploration through to mining project feasibility studies**

Reference Client: SRK Exploration Services

Executive contact and position: Gareth O'Donovan, Managing Director

Assignment summary

Provide ongoing consulting support on elements of exploration strategy design, planning and implementation for a number of junior mining and exploration companies looking to build resources on and around former mining sites. SRK ES provide exploration programme design, staffing and management services to the junior mining and mineral exploration sectors.

**7. Evaluation of business units**

Reference client: World Gold Council

Executive contact and position: Philip Olden (former Marketing Director)

Assignment summary

Over 5 Years G&P investigated and measured the financial value business units and geographical campaigns deliver to the gold miners as members of the WGC. Based on the results G&P advised the WGC on how to maximise value within the worldwide market development programmes

**8. Market assessment, analysis of market drivers and evaluation of organisational focus**

Reference client: International Copper Association

Executive contact and position: Tony Lea, Head of Strategy

Assignment summary

In 2006 and 2010 G&P evaluated the copper market, the drivers of copper demand and advised the ICA how to focus the organisations on the arising applications and on applications with the largest incremental demand to be created by ICA.

**B. Reference projects with junior miners and explorers**

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**Selected Project Experience by Commodity/ Region**

Uranium

- Assessment of the uranium potential, exploration permit application and follow-up reconnaissance program & reporting - Mali
- Assessment of the uranium potential, exploration permit application and follow-up reconnaissance program & reporting – Niger
- Commodity Lobbying - Ecuador
- Due Diligence on Acquisition - Kyrgyzstan
- Exploration programme design, set-up and management - Cameroon
- Exploration programme design, set-up and management – Madagascar
- Investment Appraisal - Niger
- Investment Review- Kazakhstan
- Project Design and Appraisal - Greenland
- Project Reconnaissance and Appraisal - Australia
- Reconnaissance and Project Design – Central African Republic

Gold / PGE

- Company Investor Brochure - Tanzania
- Corporation Valuation – Global
- Due Diligence – Georgia
- Exploration and Reconnaissance Permit Selection, Reporting - Mali
- Exploration Execution – Ecuador
- Exploration Review and Audit – Russia
- Investment Review – South Africa
- Investment Review – Zimbabwe
- Mine Development QA/QC and Training – Ivory Coast
- Permit Selection, Acquisition, Reconnaissance & Reporting - Burkina Faso
- Permit Selection, Acquisition, Reconnaissance & Reporting - Mali
- Project Reconnaissance and Appraisal – Australia
- Regional Reconnaissance - Bolivia

Base Metal

- Exploration Programme Management - Sweden
- Exploration Project Design - Russia
- Mine Rehabilitation Study – Democratic Republic of Congo
- Project Review - Zambia
- Property Appraisal – Kazakhstan
- Property Appraisal – Mali
- Property Appraisal, QA/QC and Training – Russia

Bauxite

- Investment Review – Global
- Property Appraisal – Mali

Diamond

- Data Review - Angola
- Feasibility Study Site Management – Russia
- Independent Technical Review - Sierra Leone

**C. Other mining sector references**

G&P and its team advises companies in the mining sector on M&A strategy and its implementation – the structuring of investments – the sale, acquisition and swaps of mining assets and the structuring of joint ventures and partnerships.

**Amax Iron Ore Corp**

- a) An evaluation of the opportunity to invest in the iron ore mining and pelletizing assets of the Marcona-Hierroperu iron mine at San Juan in Peru and in the Mifergui iron ore project in Guinea
- b) Swap of New Caledonian nickel assets held by Amax Inc against gold and base metals (including zinc) mining assets held by BRGM of France in West Africa and South America

**Climax Molybdenum**

Acquisition of a molybdenum and rhenium concentrate roasting plant from MPT Sandvik at Trollhattan in southern Sweden.

**BRGM (France's state geosciences institute)**

Involvement in negotiations between BRGM and Australian Consolidated Minerals over the control of mining assets

**CAEMI group, Brazil**

- a) Led the evaluation of the opportunity represented by the privatisation process of CVRD on behalf of the CAEMI group in Brazil through a joint offer for selected assets by Caemi and Western Mining Corp. of Australia. Australia.
- b) Negotiation of the sale of Caemi's calcined bauxite (industrial minerals) interests to CVRD-Cadam
- c) Purchase of share in Tecnored ironmaking technology by Caemi of Brazil

**Sundance Resources**

Preliminary discussions and advice to Sundance Resources of Australia over potential jv partners for the development of iron ore mining assets at Mbalam in southern Cameroon, West Africa.

For any further information please contact:

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