

Ensure competitive advantage by examining global developments in the financing of mining projects, operations and privatisations in ...

Mining Finance III

SMi's Third Annual Mining Finance Event

18th & 19th October 1999, The Hatton, London

Enjoy industrial case studies covering mining finance in North America, South America, United Kingdom, South Africa, Ghana and Australia as well as mining privatisation across Europe, Africa, Asia and the Americas:

- **Adrian J Reynolds**, General Manager: Projects and Evaluation, **Randgold Resources (South Africa)**
- **Bruce Walsham**, Chief Executive Officer, **Diamond Works**
- **Thomas A. Loucks**, Executive Vice President, Treasurer, **Royal Gold (USA)**
- **William McLucas**, President and CEO, **Thistle Mining**
- **Dave Ingle**, General Manager, **Abosso Goldfields (Ghana)**
- **John Christie**, Executive Director, **Ranger Minerals (Australia)**
- **Rob Murdoch**, Managing Director, **Union Capital (Australia)**
- **David Wood**, formerly Vice President Accounting & Control, **BHP Copper (USA)**
- **David Brown**, Financial Director, **Impala Platinum Holdings (South Africa)**
- **Mona Caesar-Addo**, Group Treasurer, **Ashanti Goldfields (Ghana)**
- **Steve Sharpe**, Assistant General Manager, **Standard Bank Resources Banking**
- **Maria Chappuis**, Senior Associate and Consultant in Mineral Economics, **Bamburra – Planejamento e Economia Mineral (Brazil)**
- **Dr William G. Prast**, Director, **Strategic Risk Management Group**
- **Walter Ströer**, Analyst & Publisher, **Sprache der Märkte (Germany)**
- **Mark Langrick**, Divisional Director, **International Mining Consultants**
- **Tom Wexler**, Partner, **Ashurst Morris Crisp**
- **Aidan O'Mahony**, Director of Global Project & Infrastructure Finance, **Standard & Poors**
- **Jeremy Stampa-Orwin**, Chief Operating Officer, & **Paul Atherton**, Commercial Manager, **Lifeguard**

WITH TWO PRACTICAL POST-CONFERENCE HALF-DAY WORKSHOPS

Commercial security for mines in hazardous environments

by Lifeguard



Making mining privatisation work in practice: lessons & successes from Peru & Brazil

by Bamburra Resources (Brazil)

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Increase the power of your current knowledge of worldwide mining finance trends

Day One 18th October 1999

9.00 Registration and Coffee

9.30 **Chairman's Opening Remarks**
Tom Wexler, Partner, **Ashurst Morris Crisp**

MINING MARKETS

9.40 **Update on current performance in mining markets**

- Bearish or bullish natural resources market?
- Commodity price fluctuation
- Supply and demand economics driving the mining industry
- Metals and commodities demand and pricing
- Resources exploration set to increase?
- Update on mining equity markets
- Growth for mining and energy companies ahead?

Dr William G. Prast, Director, **Strategic Risk Management Group**

CASE STUDY

10.20 **Building a global mining finance house at Thistle Mining**

- The rationale for developing a global mining finance house
- Financing development, production and exploration opportunities worldwide
- Steps towards this objective
- Current development projects and their financing at Thistle Mining
- Ensuring profitability of mining projects – critical factors

William McLucas, President and CEO, **Thistle Mining**

11.00 Morning Coffee

CASE STUDY

11.20 **Copper and gold: the fundamentals of finding and funding**

- Overview
- Finding is only the beginning
- The story can only continue with funding
- The role of project financing in mining programmes
- Personal experiences in mining programmes from Papua New Guinea and Chile

David Wood, formerly Vice President Accounting & Control, **BHP Copper (USA)**

METHODS OF FINANCE PACKAGING

12.00 **Structuring finance packaging for mining projects**

- Creating the most appropriate financing strategy for the project
- Investment Profile: commodity, location, etc.
- Tailoring finance packages for mining companies
- Financial analysis of capital costs, break-even point and projected cash flows
- Critical need for quality assets - syndication
- Financing methods to consider
- Case study material of recent mining project financing

Steve Sharpe, Assistant General Manager, **Standard Bank Resources Banking**

12.40 Lunch

PRE-INVESTMENT PREPARATION

2.00 **The role of market research and feasibility studies**

- Need for high-quality research for institutional investors
- Looking at future demand for the metal or natural resource
- Feasibility criteria
- What triggers the go-ahead for the project?
- Four issues to address: ownership and mining regulation; human resources; estimation of resources; engineering of reserves
- Independent assessments
- Speaking about mining in risky areas: the Angolan experience of 98-99

Bruce Walsham, Chief Executive Officer, **Diamond Works**

COMMERCIAL SECURITY IN HAZARDOUS ENVIRONMENTS

2.40 **Case study material of securing mines commercially in Sub-Saharan Africa**

- Risks involved in a mining operation in a hostile environment
- Risk management through commercial security
- Angolan case study
- Sierra Leone case study
- Securing exploration and mines in emerging markets
- Impact of commercial security on overall profitability of mining project
- Independent security and risk analysis

Jeremy Stampa-Orwin, Chief Operating Officer, & **Paul Atherton**, Commercial Manager, **Lifeguard**

3.20 Afternoon Tea

CASE STUDY

3.40 **Gold mining in Ghana – financing and development of the Damang Goldmine**

- Brief overview of the gold mining industry and opportunities in Ghana
- Current developments at Damang
- Financing for the Damang Goldmine
- Responding to an environment of lower prices
- Risk management

Dave Ingle, General Manager, **Abosso Goldfields (Ghana)** & **John Christie**, Executive Director, **Ranger Minerals (Australia)**

CASE STUDY

4.20 **Rating of mining projects**

- The role of credit rating agencies
- Basis for the ratings
- Analysing credit risks to investors
- What is the investor looking for in a mining operation?
- Ways of enhancing credit rating
- Steering the company through the credit rating process

Aidan O'Mahony, Director of Global Project & Infrastructure Finance, **Standard & Poors**

5.00 **Chairman's Closing Remarks & Close of Day One**

5.10 **Informal networking drinks reception for delegates and speakers**

Exhibition opportunities

SMI conferences offer prime opportunities for exhibitors to meet with delegates during the conference breaks. You can enhance and expand your client base through this highly targeted opportunity. Space is very limited, for more information contact

Sophie Trainor on 0171 827 6118,

Email: strainor@smiconferences.co.uk

"Diamond companies have enjoyed a significant recovery in 1999. Mining financials have also shown good performance."



Day Two 19th October 1999

8.30 Registration and Coffee

9.00 Chairman's Opening Remarks

Mark Langrick, Divisional Director, **International Mining Consultants**

CASE STUDY

9.10 Overview of platinum markets and the future growth approach to platinum at Impala Platinum Holdings, South Africa

- Background to Impala Platinum
- Current operational vision
- Productivity and cost control
- Where to now: growth for the future
- Global markets for platinum
- The future for platinum

David Brown, Financial Director, **Impala Platinum Holdings (South Africa)**

JUNIORS

9.40 Funding a Junior Exploration Company in the current financial market

- The role of junior explorers in the mining industry
- The approach to exploration in the current market
- Funding junior exploration companies in a global market
- Mixing mineral exploration and technology projects
- Beyond exploration, funding mining projects by a junior
- Union Capital case history and current projects

Rob Murdoch, Managing Director, **Union Capital**

CASE STUDY

10.20 How the royalty approach works at Royal Gold

- Selling the rights for operating gold mines – how the process works
- How widespread is this method in the mining sector
- The advantages and disadvantages of the royalty approach
- Who carries the risk in the royalty approach?
- Financing mining projects based on the royalty principle
- Profit sharing

Thomas A. Loucks, Executive Vice President, Treasurer, **Royal Gold (USA)**

11.00 Morning Coffee

CASE STUDY

11.20 The Morila Gold Project, Mali

- Overview of the exploration projects at Randgold Resources
- Management of risk in exploration projects
- The role of feasibility studies: what makes a project feasible?
- Projections regarding production potential of the project
- What are the critical success factors for projects of this kind?

Adrian J Reynolds, General Manager: Projects & Evaluation, **Randgold Resources (South Africa)**

GOLD & METAL PRICE FORECASTING

12.00 What is happening to the gold price and other metal prices?

- Feedback on movement of gold price since Mining Finance II
- Overview of forces at work in an environment of lower metal prices in mining
- Applying the theory of self-organising dynamic processes to market pricing
- Current movement of the gold price and other metal prices
- Underlying patterns of the gold price
- Future movements of the gold price

Walter Ströer, Analyst & Publisher, **Sprache der Märkte (Germany)**

12.40 Lunch

MINING PRIVATISATION IN LATIN AMERICA

2.00 The process of mining privatisation in Peru and Brazil

- Overview of the privatisation trends in the South American mining sector
- Critical success factors in the privatisation process
- Mining privatisation in Peru
- Opportunities for mining finance arising from the privatisation in Peru
- Mining privatisation in Brazil
- Opportunities for mining finance arising from the privatisation for mining finance in Brazil

Maria Chappuis, Senior Associate and Consultant in Mineral Economics, **Bamburra –Planejamento e Economia Mineral (Brazil)**

Note: If you would like to gain in-depth knowledge of this subject, register for Bamburra's post-conference workshop entitled "Making mining privatisation work in practice: lessons & successes from Peru & Brazil"

LEGAL FRAMEWORK FOR MINING PRIVATISATION

2.40 What are the key legal considerations in privatisations in the mining and metal industries?

- Overview of recent privatisations in the mining and metal industries
- Pertinent legal issues
- A legal framework for mining privatisation
- Outlook for mining privatisation in the emerging markets

Tom Wexler, Partner, **Ashurst Morris Crisp**

3.20 Afternoon Tea

GLOBAL MINING PRIVATISATION

3.40 Overview of mining privatisation case study material from UK, Europe, Russia, South America, China, Indonesia & Africa

- Some key lessons from experience of mining privatisation consultancy in four continents
- Case study: mining privatisation in UK and Europe
- Case study: mining privatisation in Russia
- Case study: mining privatisation in South America
- Case study: mining privatisation in Asia
- Case study: mining privatisation in Africa
- Dealing with closures and employment issues arising from mining privatisation

Mark Langrick, Divisional Director, **International Mining Consultants**

CASE STUDY

4.20 Ashanti Goldfields' Mining Finance – special emphasis on project financing for the Bibiani and Siguiri mines

- General corporate facilities
- Project financings for Bibiani mine
- Project financings for Siguiri mine
- Future financing for Geita project

Mona Caesar-Addo, Group Treasurer, **Ashanti Goldfields (Ghana)**

5.00 Chairman's Closing Remarks & Close of Conference

Sponsorship opportunities

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TWO POST-CONFERENCE WORKSHOPS

WORKSHOP A - Morning Commercial Security for Mines in Hazardous Environments

by Lifeguard

20th October, The Hatton, London



The workshop will provide the practitioner in the mining sector with practical guidelines on implementing a commercial security strategy. Case study material from mining operations in Sub-Saharan Africa will illustrate the key principles of security for mines, especially in risky areas.

8.30 Registration & Coffee

9.00 A model for commercial security of mining operations

- The market demand for increased security of mining operations
- The key components of commercial security
- Developing a comprehensive strategy for securing a mining operation
- Security risks to combat

10.00 Assessment of risks on-site at the mining operation

- Looking at the mining operation on-site from a security point of view
- Risk types to focus on
- Presenting the results of the assessment
- What to do with the results of the assessment

11.00 Morning coffee

11.15 Putting together the project to implement the plan for commercial security

- Critical success factors for a commercial security plan
- The key players to involve in the plan
- Milestones to watch for in implementation of the plan
- Case study material from mining operations in Sub-Saharan African countries to illustrate the principles of commercial security

12.00 Budgeting for the mine's commercial security plan

- What are the costs of implementing a commercial security plan?
- Reminder of the cost-savings possible through commercial security
- Measuring the success of the plan
- Monitoring the long-term security of a mining operation

12.45 Discussion and questions – review of the session

13.00 Close of workshop



About your workshop leader

Jeremy Stampa Orwin is Chief Executive Officer of **Lifeguard**, an independent and international security company specialising in risk analysis, security assessment and asset and personnel protection. Lifeguard has offices in London, Guernsey, Paris, Pretoria and Washington DC. The company's strategic reach is maintained by its effective use of technology, communications and operation centres, manned 24 hours a day, year round, and using radio, satellite and electronic mail to keep client and management informed in real-time. In a recent example, Lifeguard was contracted to provide 40 personnel to a mining operation to protect its people and assets following a violent coup in the country. In protecting assets, the company seeks good relations with the indigenous population and host country police and security forces.

Five crucial benefits of attending this interactive programme:

1. **Assess** the security risks to your mining operation
2. **Find** out how to put together a strategy for commercially securing your mining operations
3. **Benefit** from lessons learnt in some mining case study material from Sub-Saharan Africa
4. **Ensure** the long-term security of your mining project or mining operation
5. **Check** the budgeting implications for your commercial security plan

WORKSHOP B - Afternoon

Making mining privatisation work in practice: lessons & successes from Peru & Brazil

By Maria Chappuis, Bamburra

20th October, The Hatton, London

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The workshop will focus on practical lessons learnt from mining privatisations in Peru and Brazil. A model of the privatisation process will be discussed with an emphasis on getting the process right in practice.

1.45 Registration & Coffee

2.00 Overview of the key dynamics driving mining privatisation in South America today

- The economics behind mining privatisation
- Privatisation trends in the mining sector in South American countries
- Opportunities arising as a result of the privatisations

2.30 Lessons and success stories from privatisations in Peru and Brazil

- Some of the lessons learnt by governments and mining companies in the privatisation exercise
- Some of the success stories : who were the winners?
- Pitfalls to avoid in privatisations in the mining industry

3.00 Afternoon coffee

3.20 Making the privatisation process work in practice

- A model for the privatisation process
- Methodological factors
- The major stages of the privatisation process
- Setting up the key players and team to make the process work

4.00 After privatisation: practical factors to bear in mind

- Picking up the pieces: dealing with any repercussions such as closures, retrenchments
- Listing on the stock exchange – considerations to weigh up
- Where to next after the privatisation has been completed?

4.45 Discussion and questions – review of the afternoon session

5.00 Close of workshop

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About your workshop leader

Maria Chappuis is a mining engineer and mineral economist based in Peru. She has consulted on a wide range of issues in mineral economics including macro analysis, foreign investment and privatisation. From 1990-1993 she was the main assistant to the Vice Minister of Mines in Peru. She became Director of **OLAMI** (Organismo Latinoamericano de Minería) in 1998. Maria is also a senior advisor to the **Ministerio de Economía y Finanzas** based in Brazil.

Five crucial benefits of attending this interactive programme:

1. **Assess** the overall mining privatisation trends in South America today
2. **Find** out about the economic drivers behind these privatisation trends
3. **Learn** from lessons and success stories from mining privatisations in Peru and Brazil
4. **Understand** how to make the privatisation process work in practice
5. **Look** out for opportunities arising from mining privatisations