

Gold-star base for

JERSEY has long attracted the wealthy but it is now becoming a home for those digging deep to find riches abroad.

In the last few years, the Island has become an increasingly attractive base for small to mid-range mining companies, who are mainly involved in exploration and the development of a small number of mines and around a dozen firms have made Jersey their home.

It will come as no surprise to hear that the Island's tax regime is a major attraction, as is its proximity to London, its supporting financial services and attractive lifestyle for executives and their families.

But these Jersey-based companies are not brass plates in Hill Street; they are the engine rooms of the business. They have moved their head offices to the Island and more than 50 people are now employed in the burgeoning sector.

Yes, the accountants are here but so too are the geologists poring over maps and the chief executives making the big decisions.

Most of these businesses are small-scale operations involved in identifying and developing sites but some are evolving into major players.

One of them, Halkett Street-based Randgold Resources – a gold mining business operating mainly in Mali, Côte d'Ivoire and the Democratic Republic of Congo, made £355m profit last year and is now the largest gold miner listed on the FTSE 100 index of leading British companies. Other Jersey-based businesses include Lydian International, which is developing a gold mine in Armenia; Consolidated Minerals, the world's fourth largest producer of magnetite

In the first of a two-part series, **Julien Morel** explores the reasons why mining companies are basing their operations in the Island



A mine in Australia owned by Jersey-based Consolidated Minerals Limited

with mines in Australia and Ghana; and Heritage Oil, which produces oil and gas in Africa, Asia and Russia.

Randgold Resources financial director Graham Shuttleworth said: 'We decided to set up an office here in 2010 and it has proved to be a very good decision. Mining lends itself to Jersey – it is a capital intensive business and the Island is a good place to attract capital, especially as our as-

sets are not here but in Africa, where we pay significant amount of tax.'

In a two-part series starting today, the JEP explores this industry, which has developed with the help of the States of Jersey.

'We now attend a number of top mining conferences around the world with the aim of attracting businesses to Jersey,' said Wayne Gallichan, director of inward invest-

ment for Locate Jersey. 'In the last two years, a number of senior executives have moved here and more are interested. The reasons are many but they include zero-ten and our low rate of income tax, our time zone and our closeness to the major capital markets.'

But remember, the senior executives are also paying income tax, they are paying for services in the Is-



Wayne Gallichan, of Locate Jersey: 'Mining companies represent a key diversification of our economy'

land, they are creating jobs, they are sponsoring teams and events, and they represent a key diversification of our economy.'

But should the Island be considering the ethics of mining in the developing world when seeking to expand this industry?

Ed Le Quesne, chairman of Christian Aid in Jersey said: 'As long as these companies pay the right amount of tax to the countries where they're mining, then it is a positive thing because they provide the necessary knowledge and investment. Unfortunately some countries such as Zambia have been stuck with poor deals, perhaps signed by previous governments, and have never received the money owed to them. I hope Jersey makes good its reputation and ensures that these firms are responsible.'

Jersey Evening Post

COMPETITION

WIN TICKETS TO THE JERSEY PREMIERE OF MAN OF STEEL

ATTENDED BY THE MAN OF STEEL HIMSELF, HENRY CAVILL

To celebrate the release of **Man of Steel**, starring Jersey actor Henry Cavill, the JEP is offering readers a chance to win tickets to the Island premiere – attended by the leading man himself. Pairs of tickets will be on offer each day over five days, from Monday 3 June. Winners will walk the red carpet and attend a screening at Cineworld Jersey on Friday 14 June. To be part of this star-studded night of Hollywood right here in Jersey, answer the question below:

In Man of Steel, Superman comes to earth as an infant from this doomed planet. Name the planet:

- a) Mars
- b) Skipton
- c) Krypton

For your chance to win a pair of tickets, simply answer the question above and email your answer along with your name, address and contact number to manofsteel@jerseyeveningpost.com with the reference: **HENRYCAVILL** quoted in the subject line.

The inbox to submit entries opens today at 7pm. Any emails received before this time will not be counted. Closing date for entries: Thursday 6 June 2013.

MAN OF STEEL IN CINEMAS JUNE 14

TERMS AND CONDITIONS: The winners will be chosen from the first ten people to enter. Tickets will be issued via Show Film First. Winners will be emailed a unique ticket that they can download from the website. Tickets are subject to availability and will be allocated on a first come, first served basis via www.showfilmfirst.com. Tickets need to be redeemed no later than Monday 10 June Midnight. Each winner may claim up to two tickets and should have ID available in same name as on ticket if required. Tickets are not transferable and are not for resale. No cash alternative. No late admittance. The cinema reserves the right to refuse admission. In the event of a dispute, the cinema manager's decision is final. For full terms and conditions visit: www.showfilmfirst.com. No correspondence will be entered in to. By entering our competition, you agree that your contact details will be added to our marketing database and we may from time to time email you with news and offers. You can unsubscribe from receiving marketing emails at any time.



treasure hunting



The Lydian International mining operation in Armenia

Why Jersey?

The first mining company to set up its headquarters in Jersey was Randgold Resources, an African-focused gold mining and exploration company with listings on the London Stock Exchange and NASDAQ. It has been a Jersey-registered company since 1995 but moved its headquarters to an office in Halkett Place in 2005. Since then, over ten mining firms have followed them and more are considering the move.

The Island, through Economic Development department's Locate Jersey team, is now actively touting for business with civil servants, supported by the finance industry, attending major mining conferences such as 'Mines and Money' and 'Mining Indaba' to sell Jersey's advantages to prospective prospectors. Jersey's low tax regime is a powerful magnet as is its 'business-friendly' government, wide variety of finance firms, investor familiarity, transport links and quality of life for the executives and their families who will invariably move here.

Who's here?

The firms in Jersey include:

- Firm:** Lydian International
Founded: 2005
Structure: Listed on Toronto Stock Exchange
Moved to Jersey: 2008
Nature of business: A mineral exploration and development company with expertise in discovering and developing new gold projects in unfamiliar and frontier settings
Location of operations: Armenia and Georgia
Firm: Amlib
Founded: 2000
Structure: Private company which is 84 per cent owned by Aurum Holdings
Moved to Jersey: 2011
Nature of business: An exploration company focused primarily on gold in Liberia with a business development mandate encompassing other mineral opportunities
Location of operations: Liberia.
- Firm:** Centamin
Founded: 1970 (in Australia)

Structure: Listed on the London and Toronto stock exchanges
Moved to Jersey: 2011
Nature of business: 'Developing its principal asset, the Sukari Gold Mine in Egypt's Eastern Desert, which began production in 2009 and is the first large-scale modern gold mine in the country.
'Plans to acquire and develop other gold projects in the region and beyond.'
Location of operations: Egypt and Ethiopia.

Firm: Consolidated Minerals
Structure: Private company
Moved to Jersey: 2010
Nature of business: 'The exploration, mining, processing and sale of manganese ore.'

Location of operations: Australia and Ghana.

Firm: Bellzone
Founded: 2007
Structure: Listed on AIM
Moved to Jersey: 2012
Nature of business: 'An exploration and resource development company with iron ore and nickel / copper permits in the Republic of Guinea, West Africa.'
Location of operations: Guinea.

Firm: Heritage Oil
Founded: 1992
Structure: Listed on the London and Toronto stock exchanges
Moved to Jersey: 2008
Nature of business: An independent oil and gas

exploration and production company

Location of operations: Nigeria, Russia, Tanzania, Papua New Guinea, Malta, Libya and Pakistan.

Firm: Ensign
Founded: 1987
Structure: Listed on the Toronto Stock Exchange
Moved to Jersey: 2010 (European headquarters)
Nature of business: 'One of the world's largest providers of onshore drilling, well servicing and completion services to the hydrocarbon and geothermal drilling industries.'
Locations of operations: Africa,

Asia, Australia, Canada, Europe, Latin America, New Zealand, the Middle East and the USA.

Firm: Randgold Resources
Founded: 1995
Structure: Listed on the London and NASDAQ stock exchanges
Moved to Jersey: 2005
Nature of business: Gold mining business operating mainly in Mali
Locations of operations: Mali, Ivory Coast, DRC, Senegal
Other firms with a physical presence in Jersey include: Petrokamchatcha (oil and gas exploration in Eastern Siberia) and Longrench Oil and Gas (oil and gas exploration in Morocco).

Tomorrow: Profiles of three mining operations



A summer camp for children in Armenia organised by Lydian International