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MEMO TO ENRC SHAREHOLDERS

ENRC MUST ADDRESS CORRUPTION CONCERNS IN CONGO AND PUBLISH FINDINGS

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Introduction

ENRC's rapid acquisition of billions of dollars worth of mining assets in the Democratic Republic of Congo between September 2009 and July 2011¹ has been facilitated by the company's apparent collusion with Dan Gertler, a businessman who is a friend of President Joseph Kabila.²

During this period offshore companies that are associated with Mr Gertler secretly snapped up prize mining assets at steeply undervalued prices and quickly sold them on to ENRC for huge profits – in one case flipping a mine to ENRC for five times the original value paid.³ ENRC paid hundreds of millions of dollars to Mr Gertler's companies in the process.⁴ Mr Gertler's spokesman has maintained that his companies have paid fair prices for the assets they have acquired and has also disputed the validity of commercial valuations.⁵

The offshore shell companies associated with Mr Gertler and paid by ENRC are obscure entities which have been registered in secrecy jurisdictions and have therefore not declared their full list of beneficiaries. Global Witness believes that these offshore structures could allow corrupt Congolese officials to benefit from these deals. If this is correct, ENRC may have poured money into corrupt transactions. ENRC has said that it "is resolutely opposed to bribery and corruption in whatever form it may take"⁶ and will take appropriate action to address corruption concerns.⁷ Mr Gertler's spokesman has said he has always operated with the "utmost honesty, integrity and fairness" and that the beneficiaries of offshore companies associated with Mr Gertler are limited to his family members.⁸

Mr Gertler has exercised considerable political clout in Congo's mining sector over the last decade⁹ and has been closely associated with President Kabila's *eminence grise*, Katumba Mwanke, who up until his death this year had been the central political figure in Congo's mining sector for many years.¹⁰

President Kabila's successive governments have sold stakes in many of Congo's top copper and cobalt mines in secret and for undisclosed or vastly undervalued prices over the last few years.¹¹ Many of these assets were sold to offshore vehicles associated with Mr Gertler, though their precise beneficiaries are not known.¹²

As a result of these secretive sales, the Congolese state has lost billions of dollars in revenues.¹³ Many of the mines that have been sold have been privatised in their entirety, resulting in the Congolese state foregoing any future production revenues from the mines.¹⁴

The proceeds of at least one stake in a mine sold to a Gertler-related company were partly used by the Congolese government to cover costs related to the 2011 election¹⁵, which returned President Kabila to power. The polls were condemned as flawed by international diplomats and election observers¹⁶ and were marred by

killings committed by government security forces.¹⁷ Congo is bottom of the UN's human development index¹⁸ in spite of its vast mineral assets, much of which has now been sold off.¹⁹

ENRC and commodity giant Glencore are the two companies which have acquired copper and cobalt mines most frequently from Mr Gertler. Global Witness has already documented Glencore's relationship with Mr Gertler in a memo published on 9 May 2012, available at www.globalwitness.org/secretsales. Questions submitted to ENRC and Mr Gertler in respect of cases discussed in this memo are also posted at the same site -. neither Mr Gertler nor ENRC responded to those questions, submitted on 14 May and 15 May respectively, by the time Global Witness went to press with this memo. A spokesman for Mr Gertler has, however, proposed an independent audit regarding the ownership of companies associated with Mr Gertler – a suggestion that Global Witness expects to discuss further with Mr Gertler's representatives.

Shortly before publication, Mr Gertler's spokesman issued a statement questioning Global Witness's "motives and agenda as well as that of their funders or donors" and saying that we are funded by "current or previous competitors of Fleurette Group and its partners in the DRC". The statement also said Global Witness has rejected Fleurette Group's offer of an independent audit. These statements are inaccurate. It should be added that Global Witness would be happy to discuss the offer of an audit and has told the Fleurette Group so on a number of occasions.

Five mining deals involving ENRC stand out. Global Witness believes these deals carry with them risks of corruption. Global Witness is concerned for a number of reasons, notably that:

- Most of the deals involve companies associated with a businessman who has a track record of acquiring undervalued mining assets in secret and who is a friend of President Kabila. Mr Gertler could therefore have been used as a go-between for ENRC to acquire copper and cobalt mines.
- Offshore companies from whom ENRC purchased mining assets obtained their licences in deals that were conducted in secrecy and not subject to public tenders.
- These offshore companies have not revealed their full list of beneficiaries. There is a risk that these beneficiaries could include corrupt Congolese officials.
- At least four of the licences were obtained by offshore companies at far below commercial valuations. In it at least two of these cases the offshore companies then flipped the assets on to ENRC for a substantial profit.
- In at least two cases ENRC bankrolled the initial purchases by Gertler-related offshore companies, instead of doing business directly with the Congolese government. This raises a question over whether ENRC played a role in the initial secret sales to these companies.

The five deals, in summary, are as follows.

1. **ENRC acquisition of a stake in the SMKK mine:** In December 2009 ENRC purchased an option to buy 50 per cent of the SMKK copper and cobalt mine for \$25 million from an offshore company Emerald Star Enterprises Limited. However, Emerald Star Enterprises Limited was not yet the owner of this stake. This indicates that ENRC was confident that Emerald Star Enterprises Limited, a company associated with Dan Gertler, would obtain the stake from the state mining company Gecamines. When Gecamines finally sold the stake to Emerald Star Enterprises Limited in February 2010, it received only \$15 million from Emerald Star Enterprises Limited. This left Emerald Star Enterprises Limited with a surplus of \$10 million. ENRC then paid an additional \$50 million and completed the purchase by June 2010. Therefore the total amount paid by ENRC for the 50 per cent stake amounted to \$75 million or five times the value of the sale by Gecamines to Emerald Star Enterprises Limited. ENRC could have exercised a right of first refusal to obtain the stake at the same price of \$15 million bid by Emerald Star Enterprises Limited but appears to have foregone this option. In summary, ENRC apparently chose to prefinance an opaque offshore company and allowed it to reap vast profits, instead of dealing with the government directly.

2. **ENRC's acquisition of a stake in Kolwezi:** In January 2010, state miner Gecamines cancelled its contract with First Quantum and secretly awarded its stake in the Kolwezi tailings project to the Highwind Group, a network of offshore companies associated with Dan Gertler. Contract documents show that ENRC loaned the Highwind Group the money to cover the \$60 million signature bonus for its stake. ENRC also paid \$175 million as part of an August 2010 deal to control 50.5 per cent of that stake. The above suggests that ENRC promised the Highwind Group financing even before Gecamines sold on its stake in Kolwezi. This suggests that ENRC may have colluded with Dan Gertler in the secret sale of Kolwezi and enriched a group of offshore companies whose beneficiaries are unknown and could include corrupt Congolese officials.
3. **ENRC's settlement in relation to Frontier and Lonshi:** The Frontier and Lonshi copper mines were also confiscated from First Quantum in May 2010 and subsequently secretly awarded to three offshore companies whose beneficiaries are not known. Two of these offshore companies appear to be linked to Dan Gertler. As part of a \$1.25 billion agreement between ENRC and First Quantum in January 2012, ENRC acquired two companies, Comisa SPRL and Frontier SPRL, which were formerly held by First Quantum. Both companies had lost their rights over Frontier and Lonshi mines to the three offshore companies but were nonetheless acquired by ENRC as part of the agreement, indicating that ENRC expected to win back the actual licences. If ENRC buys the licenses from the offshore companies, it would be pouring money into opaque companies whose beneficiaries are unknown and could include corrupt Congolese officials.
4. **ENRC's acquisition of Dezita Investments Limited:** ENRC disclosed in its 2011 annual report, published in April 2012, that it had paid \$195 million to acquire an offshore company that appears to be linked to Dan Gertler, and which was awarded an exploration permit in secret. This is yet another example of an opaque offshore company "flipping" properties to ENRC. Dezita Investments Limited's ultimate beneficiaries are unknown and therefore this deal also poses a corruption risk.
5. **ENRC's acquisition of CAMEC:** In 2007 Dan Gertler built up a stake in CAMEC, a company listed on London's AIM exchange. When ENRC acquired CAMEC in 2009, it entered into share purchase agreements with a number of offshore companies which CAMEC had declared as its shareholders. Some of these smaller offshore companies appear to have been carved out of Gertler-related offshore companies which were CAMEC shareholders. Global Witness has serious concerns about whether corrupt Congolese officials could be among the beneficiaries of these smaller companies.

During the course of 2011, ENRC established an Anti-Bribery and Corruption Steering Committee which it says "*coordinates [ENRC's] approaches to bribery and corruption issues across core departments to ensure the work carried out to prevent and detect corruption is consistent and effective*". In its 2011 annual report, ENRC noted press reports of controversy surrounding "the purchase of certain DRC assets", said it had liaised with the UK Serious Fraud Office and has begun a comprehensive bribery risk review in conjunction with external legal advisors.²⁰ Global Witness believes that the above steps will be insufficient unless the following recommendations are implemented:

1. *ENRC must publish the results of its internal inquiries in full, inclusive of comprehensive responses to questions submitted to it by Global Witness, which are available at www.globalwitness.org/secretsales.*
2. *ENRC must report as soon as its risk review is completed on what methods it plans to employ to prevent, detect, report and investigate potential corruption in the future.*
3. *ENRC must cease to conduct business with offshore entities whose beneficiaries are not publicly declared, and where there are significant risks of corruption.*

This paper will now set out the above five cases in greater detail.

ENRC's acquisition of a 50 per cent stake in SMKK via Dan Gertler

SMKK controls copper and cobalt projects consisting of two exploration permits. In September 2009 ENRC acquired 50 per cent of SMKK when it bought CAMEC, a London-listed mining company with assets in Congo. CAMEC had previously acquired this 50 per cent stake in SMKK for \$85 million in 2008, leaving the outstanding 50 per cent of SMKK in the hands of state owned mining company Gecamines.²¹

Gecamines then sold the outstanding 50 per cent stake in secret for \$15 million to Emerald Star Enterprises Limited²², a shell company incorporated in the British Virgin Islands and which is controlled by a Gertler family trust.²³ Emerald Star Enterprises Limited then flipped the stake to ENRC, in return for \$75 million.²⁴ The precise beneficiaries of Emerald Star Enterprises Limited are not known and it is not clear who shared the \$60 million profit.

The manner in which ENRC has disclosed information relating to this case suggests that ENRC advanced Dan Gertler the cash to obtain the outstanding 50 per cent stake in SMKK from Gecamines.

In a UK Companies House filing ENRC declared it acquired an option for \$25 million on 21 December 2009 giving it the right to purchase 50 per cent of SMKK from its “owner” Emerald Star Enterprises Limited.²⁵ However Global Witness has now obtained information, including details of Gecamines minutes, that Emerald Star Enterprises Limited only obtained its 50 per cent stake in SMKK from Gecamines in February 2010.²⁶ It therefore appears that ENRC entered into the December 2009 option agreement with Emerald Star Enterprises Limited *before* Emerald Star Enterprises Limited had even acquired the outstanding 50 per cent stake from Gecamines in February 2010.

By incorrectly declaring that Emerald Star Enterprises Limited was the owner of the outstanding 50 per cent of SMKK, ENRC has given the impression that Dan Gertler independently acquired that 50 per cent and subsequently sold it off to ENRC.

Instead, it appears that Emerald Star Enterprises Limited in fact received a \$25 million payment from ENRC, which it then used to secretly acquire the outstanding 50 per cent stake for \$15 million, leaving it with a surplus of \$10 million. Emerald Star Enterprises Limited then received an additional \$50 million from ENRC by the time the deal was completed in June 2010, for a total of \$75 million.²⁷

The above transaction is even more questionable when one considers that under the original joint venture agreement covering SMKK, ENRC could have exercised a right of first refusal on the outstanding 50 per cent stake of SMKK. This right of first refusal was originally assigned to the first private party that acquired the first 50 per cent of SMKK, giving it an option to match any offer by a third party for the outstanding 50 per cent of SMKK then held by Gecamines. When ENRC acquired the first 50 per cent of SMKK via the buy-out of CAMEC in 2008, it would have acquired this right of first refusal.²⁸

ENRC did not match the bid by Emerald Star Enterprises Limited and take the outstanding 50 per cent for \$15 million. Instead, ENRC allowed Emerald Star Enterprises Limited to purchase the stake in SMKK for \$15 million and subsequently bought back the property at \$75 million just several months later.

It therefore appears that ENRC pre-financed the acquisition by Emerald Star Enterprises Limited, relying upon Mr Gertler’s political connections to acquire an asset ENRC might not have been able to acquire from the Congolese state without Mr Gertler’s intervention. The beneficiaries of Emerald Star Enterprises Limited are not known.

ENRC’s acquisition of a stake in the Kolwezi tailings project, via Dan Gertler

In August 2009, the Congolese government began a series of legal steps to revoke the rights of First Quantum at Kolwezi, which led to the cancellation of the company’s permits over the copper tailings project and the confiscation of First Quantum’s facilities.²⁹

On 7 January 2010 Congo's state mining company Gecamines cancelled its contract with First Quantum in respect of Kolwezi. Gecamines immediately formed a new joint venture³⁰, Metalkol SPRL, which secretly awarded 70 per cent control of the project to a group of British Virgin Islands companies collectively referred to as the Highwind Group.³¹ The contract between Highwind Group and Gecamines, published some time after the deal was executed, stipulated that Highwind Group would pay \$60 million to Gecamines as a signature bonus.³²

The Highwind Group flipped more than half of this 70 per cent stake in Kolwezi to ENRC just a few months later. Indeed, on 14 June 2010 ENRC entered into a preliminary agreement to purchase a 50.5 per cent share in Camrose, a company that ENRC said controlled the entire shareholding of the four companies in the Highwind Group.³³ This agreement was announced formally on 20 August 2010. In order to obtain the 50.5 per cent stake in Camrose, ENRC entered into share purchase agreements with three British Virgin Islands companies Silvertide Global Limited, Zanette Limited and Cerida Global Limited, which ENRC has stated are "held by the Gertler family trust".³⁴ ENRC paid \$175 million for the 50.5 per cent stake in Camrose.³⁵

ENRC disclosed in a 14 June 2010 preliminary agreement with Camrose that it also promised to loan \$400 million loan to Camrose, including a \$60 million payment to "satisfy the *pas de porte* payment [signature bonus] obligations of the Highwind Group".³⁶

The signature bonus was far below commercial valuations of Kolwezi. On the basis of a July 2010 Numis estimate, which stated that 65 per cent of Kolwezi was worth \$2.5 billion, one can extrapolate that a 70 per cent stake would have been worth \$2.69 billion. On the basis of two other valuations, which Global Witness obtained on condition of anonymity from financial institutions of international repute, 70 per cent of Kolwezi would be worth respectively \$334 million (December 2009) and \$1.58 billion (May 2010). While these valuations differ enormously, they are all much higher than the \$60 million signature bonus paid by the Highwind Group.

The sum paid by ENRC for the 50.5 per cent of Camrose also appears very low if one looks at the May and July 2010 valuations of Kolwezi referred to directly above, which were both calculated shortly before ENRC's announcement of its deal with Camrose. On the basis of the July 2010 valuation, the stake purchased by ENRC would have been worth no less than \$1.36 billion, while on the basis of the May 2010 valuation this stake would have been worth \$798 million.

The fact that the signature bonus was promised by ENRC indicates that the Highwind Group itself did not pay anything to the Congolese state until ENRC stepped in. This arrangement indicates that ENRC may have been waiting in the wings from the moment the Kolwezi project was confiscated from First Quantum and sold on to the Highwind Group.

Global Witness has concerns that ENRC structured the deal in this way so that the company could benefit from Mr Gertler's privileged access to resources. Global Witness is also concerned that the \$175 million payment could have enriched corrupt Congolese officials, in light of the fact that the ultimate beneficiaries of the Highwind Group remain hidden. ENRC said in September 2010 that prior to its acquisition of its stake in Kolwezi, it "undertook an extensive due diligence process, and ENRC remains fully satisfied with the findings."³⁷

Global Witness also has major concerns about the manner in which ENRC will continue to finance the development of Kolwezi.

In a 5 January 2012 conference call, ENRC's chief executive officer Felix Vulis, confirmed that it would be ENRC that would finance the entire development cost of the Kolwezi project.³⁸ It is therefore the case that ENRC will be taking on the whole cost of the project even though it only has a 35.35 per cent stake in Kolwezi (50.5 per cent of 70 per cent).

In the meantime, the remaining 34.65 per cent (70 per cent minus 35.35 per cent) of the 70 per cent originally awarded to the Highwind Group share has been left in the hands of Cerida Global Services³⁹, which as noted above is a company associated with Dan Gertler. In effect, this means that the Gertler family trust will receive a

34.65 per cent share of production revenues without risking a single penny of its own, while ENRC pays for all the development costs.

Because the beneficiaries of Cerida Global Limited have not been declared, the above means that ENRC will enrich hidden interests linked to Dan Gertler through the development of Kolwezi.⁴⁰

The acquisition of the 70 per cent stake by companies linked to Dan Gertler raises an immediate question over whether the sale of Kolwezi was designed to enrich private interests rather than to benefit the Congolese state. ENRC's prefinancing of Highwind Group and its carrying of Cerida Global Limited also raises serious questions over whether ENRC could have ended up bankrolling hidden and corrupt Congolese officials.

ENRC's out of court settlement in respect of Frontier and Lonshi

In mid-May 2010, Congo's Supreme Court stripped First Quantum of its stake in the Frontier and Lonshi projects by revoking the mining rights of Frontier SPRL and Comisa SPRL, subsidiaries of First Quantum.⁴¹

A week before the 21 May 2010 notification by Congo's Supreme Court to First Quantum, a Hong Kong-registered shell company, Fortune Ahead Limited, was formally incorporated.⁴² On 10 June 2010 Fortune Ahead Limited signed up as a 70 per cent shareholder in a new joint venture covering the Frontier and Lonshi projects. The signature bonus that Fortune Ahead Limited committed to was \$30 million.⁴³

On 28 March 2011, Sodimico, the state run company which was holding the other 30 per cent of Frontier and Lonshi sold its shares for \$30 million to two British Virgin Islands registered companies, Sandro Resources Limited and Garetto Holdings Limited.⁴⁴

In total, Frontier and Lonshi were therefore sold off for \$60 million, far below commercial valuations. A July 2010 report by Numis valued 100 per cent of Lonshi at \$392 million and 95 per cent of Frontier at \$1.568 billion. Global Witness has obtained several other valuations, all of which place Frontier alone at over \$1 billion.⁴⁵

There is circumstantial evidence to suggest that Sandro Resources Limited and Garetto Holdings Limited are connected to Dan Gertler. Both companies were registered by the very same British Virgin Islands agent which registered two other companies associated with Mr Gertler, namely Biko Invest Corp and Rowny Assets Limited.⁴⁶ Biko Invest Corp and Rowny Assets Limited bought mining assets from the Congolese state on the same day as the deal involving Sandro Resources Limited and Garetto Holdings Limited was concluded.⁴⁷

Neither ENRC nor Dan Gertler has responded to questions about whether Fortune Ahead Limited is related to Mr Gertler.

Following arbitration launched by First Quantum against the Congolese government and the Highwind Group, ENRC decided to settle in an out of court settlement in January 2012. As part of this \$1.25 billion settlement ENRC acquired Kolwezi Investments Limited and its subsidiary Congo Mineral Developments Limited (the former developer of the Kolwezi tailings project), Frontier SPRL and Comisa SPRL, as well as Roan Prospecting & Mining SPRL (the holder of certain assets relating to the Kolwezi Tailings Project).⁴⁸

However, the settlement did not include the mining rights that had been reallocated to Fortune Ahead Limited, Sandro Resources Limited and Garetto Holdings Limited. ENRC's Chief Executive Officer Felix Vulis announced on 5 January 2012 that ENRC was in talks with Fortune Ahead Limited to secure the Frontier mining license.⁴⁹ He also said that ENRC could start talks with a "Hong Kong-based company" (presumably Fortune Ahead Limited) over the Lonshi mining license.⁵⁰ It is not known whether ENRC has entered or plans to enter discussions over the mining licenses with Sandro Resources Limited and Garetto Holdings Limited.⁵¹

It would appear to make little financial sense for ENRC to have agreed to pay out vast sums of money⁵² to acquire Frontier SPRL and Comisa SPRL – two companies stripped of their licenses – unless it assumed that it

would also win back the licenses once covered by those two companies. This suggests that ENRC knew from at least as far back as January 2012 that it would be guaranteed to acquire the mining licences held by Fortune Ahead Limited.

Should ENRC push ahead with these acquisitions, it would essentially be pouring in money into bank accounts connected to offshore shell companies which acquired their stakes in the Frontier and Lonshi licenses in secret. Global Witness is concerned that any payments to Fortune Ahead Limited, Sandro Resources Limited and Garetto Holdings Limited could ultimately be financing corrupt officials in Congo.

The inclusion of Frontier SPRL and Comisa SPRL into the agreement between ENRC and First Quantum suggests that ENRC had a guarantee that it would eventually acquire the licenses to Frontier and Lonshi. ENRC also appears to be prepared to do business with offshore shell companies which have acquired properties at steeply undervalued prices and whose beneficiaries have not been declared. This poses a substantial corruption risk.

ENRC's acquisition of Dezita Investments Limited

According to ENRC's 2011 annual report, released in April 2012, ENRC has acquired 100 per cent of the ordinary shares of Dezita Investments Limited, for \$195 million, a deal which was completed in July 2011.⁵³

Dezita Investments Limited owns Exploitation Permit Number PE 1284 in the Democratic Republic of Congo. The permit is immediately adjacent to and contiguous with the permits held by the ENRC's joint venture with Camrose in respect of Kolwezi.

It is unclear how Dezita Investments Limited was awarded permit PE 1284 and whether it paid anything for this permit. It is also unclear who the ultimate beneficiaries of Dezita Investments Limited are.

The address in the Congolese mining registry for Dezita Investments Limited is the same as addresses used by other companies associated with Dan Gertler.⁵⁴ This would suggest that Dan Gertler has flipped yet another property he owns to ENRC.

As the beneficiaries of Dezita Investments Limited are not known, and in light of the pattern of investments described earlier in this memo, ENRC appears therefore at risk again of pouring money into an offshore company which could be a front for Congolese officials. The deal was completed in July 2011, after UK Bribery Act regulations came into force.

ENRC's acquisition of CAMEC via offshore companies

This section examines the manner in which ENRC acquired CAMEC, an AIM-listed mining company in which Mr Gertler had acquired a stake. It spells out: a) the context in which Mr Gertler took shares in CAMEC; b) how these shares were split between separate offshore companies; and c) how those separate shareholdings were purchased by ENRC as part of its acquisition of CAMEC.

In 12 July 2007 RP Explorer Master Fund (a Gertler-related entity) announced that it strongly opposed CAMEC's bid for Katanga Mining Limited.⁵⁵ CAMEC nevertheless made an all-share takeover bid for Katanga Mining Limited on 29 August 2007 but the next day the Congolese attorney general revoked CAMEC's key mining licence.⁵⁶

The merger between CAMEC and Katanga Mining Limited would have created the world's largest cobalt producer at that time.⁵⁷ Instead, following the attorney general's decision, CAMEC's share price instantly plummeted, slashing the value of its offer and eventually forcing it to withdraw its bid.⁵⁸ In November 2007, Nikanor, a company partly controlled by Mr Gertler⁵⁹ stepped in to merge with Katanga Mining Limited.⁶⁰

The day after the merger Prairie International (another Gertler-controlled entity) agreed a separate 50-50 joint-venture with CAMEC, called DRC Resources Holdings Limited, which brought together separate assets controlled by Prairie International and CAMEC.⁶¹

CAMEC's corporate structure was then adjusted. Under the terms of the new agreement, Prairie received 815,000,000 new shares in CAMEC, representing approximately 39.9 per cent of CAMEC's enlarged share capital, in return for Prairie's ceding its 50 per cent stake in DRC Resources Holdings Limited to CAMEC.⁶² Once this deal was done this "new" CAMEC, in which Mr Gertler now had a stake, received back its suspended license.⁶³

In June 2008 CAMEC was obliged to announce⁶⁴ that the following companies constituted shareholders in CAMEC and confirmed that these arose "from the allotment of new shares pursuant to the approval by CAMEC shareholders of the acquisition" in respect of DRC Resources Holdings Limited.⁶⁵ As the allotment of the new shares was to Prairie, these companies must have been carved out of Prairie after the November 2007 deal was done.⁶⁶

Companies	Number of CAMEC Shares held	Percentage of issued share capital and voting rights of CAMEC
Gladioli International Group Limited	97,288,078	3.8 %
Delena International Limited	114,456,562	4.4 %
Padbury Holdings Limited	227,005,515	8.8 %

There does not appear to be a clear reason why these three companies were carved out of Prairie. Global Witness is therefore concerned that Gladioli International Group Limited, Delena International Limited and Padbury Holdings Limited may have been set up as shareholders in the "new" CAMEC in order to reward corrupt Congolese officials and their proxies for their intervention in bringing the "old" CAMEC to heel and facilitating Nikanor's merger with Katanga Mining Limited and Prairie International's acquisition of CAMEC shares.

On 17 September 2009, ENRC acquired the "new" CAMEC and in so doing entered into share purchase agreements, which it completed on 18 September 2009, with the following companies:⁶⁷

Delena International Limited	114,456,562
Eagle Multinational Limited	75,668,505
Geranium Properties Limited	75,668,505
Summertown Resources Limited	75,668,505
Gladioli International Group Limited	71,100,274
Kara Enterprises Limited	60,000,000
Silvertown International Limited	29,874,845
Margin Investments Limited	4,948,173

A Gertler-related trust company, known as the Ashdale Settlement, had interests in all of the above companies except for Kara Enterprises until 18 September 2009, the day the above mentioned share purchase agreements were concluded.⁶⁸

As mentioned above Global Witness is concerned that Gladioli International Group Limited, Delena International Limited and Padbury Holdings Limited may have been set up as CAMEC shareholders in order to reward corrupt Congolese officials. If true, this would mean that ENRC's acquisition of the shares of Gladioli International Group Limited and Delena International Limited would have allowed such corrupt Congolese officials to cash out their shares for substantial windfall payments. Furthermore, if one totals the shareholdings of Eagle Multinational Limited, Geranium Properties Limited and Summertown Resources Limited, they exactly equal the shares allotted to Padbury Holdings Limited, which is now no longer listed as a shareholder of ENRC. This suggests that three separate groups of potentially corrupt beneficiaries linked to Padbury Holdings Limited would also have cashed out their shares for substantial windfall payments. ENRC's purchase of shares from Silvertown International Limited and Margin Investments Limited also raise concerns, given they are also companies once linked to the Ashdale Settlement.

In addition ENRC said it also “received irrevocable undertakings to accept, or procure the acceptance of, the Offer from the following CAMEC Shareholders over the following holdings of CAMEC Shares.”⁶⁹

Kara Enterprises Limited	141,103,416
Autumn Breeze Global Limited	29,874,844

Using the two entries for Kara Enterprises Limited above it is possible to calculate that Kara Enterprises Limited owned a total of 201,103,416 CAMEC shares (60,000,000 + 141,103,416). This is 29,874,844 CAMEC shares less than what Kara Enterprises Limited was awarded by CAMEC when CAMEC acquired a 50 per cent stake in SMKK in 2008⁷⁰, or the exact amount of shares held by Autumn Breeze Global Limited (see above table).

Kara Enterprises Limited appears to be linked to Mr Gertler. One of its directors is Dino Chincotta, a Gibraltar-based lawyer who has also signed as a director of Camrose, a Gertler-related company that acquired a stake in Kolwezi as described above.⁷¹ Global Witness is concerned that Autumn Breeze Global Limited may have been carved out of the shareholding held by Kara Enterprises Limited in order to reward a separate set of interests following ENRC’s acquisition of CAMEC.

Global Witness has serious concerns that the above listed companies are being used to reward beneficiaries, notably Congolese officials or their proxies, who may have been involved in deals related to CAMEC and ENRC.

¹ According to Global Witness’s calculations, ENRC’s assets in Congo are worth at least \$2.3 billion and could increase to roughly \$4 billion if further expected purchases are made. The reasoning is outlined as follows. ENRC’s first acquisition in Congo was the all-share purchase of CAMEC in September 2009. ENRC paid £584 million (or roughly \$949 million) for CAMEC (see ENRC press release of 18 September 2009, <http://www.enrc.com/PageFiles/5145/18-09-09%20Recommended%20Cash%20Offer%20for%20CAMEC.pdf>, last accessed on 21 May 2012). During the period December 2009 to June 2010 ENRC paid a total consideration of \$75 million to acquire 50 per cent of the SMKK mine from Emerald Star Enterprises Limited. In August 2010 ENRC acquired 50.5 per cent of Camrose, a company that in turn held 70 per cent of the Kolwezi tailings project, thus meaning that ENRC ended up with 35.35 per cent of the Kolwezi project. ENRC paid \$175 million for the 50.5 per cent of Camrose. On the basis of a July 2010 Numis estimate - putting 65 per cent of Kolwezi at \$2.5 billion - a 70 per cent stake would have been worth \$2.69 billion, and a 35.35 per cent stake in the mine would be worth \$1.36 billion. On the basis of two other valuations, which Global Witness obtained on condition of anonymity from financial institutions of international repute, 70 per cent of Kolwezi would be worth respectively \$334 million (December 2009) and \$1.58 billion (May 2010); and a 35.35 per cent stake at respectively \$169 million and \$798 million. According to ENRC’s 2011 annual report, released in April 2012, ENRC acquired 100 per cent of the ordinary shares of Dezita Investments Limited, owner of a mining permit in Congo, for an initial consideration of \$100 million which was paid in April 2011 and a subsequent amount of \$95 million which was paid in July 2011 (http://www.enrc.com/Documents/Reports/ENRC_ARA%202011_Final.pdf, page 11). Taking the average of the May 2010 and July 2010 estimates for 35.35 per cent of Kolwezi (as they both date from within four months of ENRC’s purchase of part of the mine), together with the actual prices paid for the other assets would put the value of ENRC’s assets in Congo at: \$949 million (CAMEC) + \$1.08 billion (Kolwezi) + \$75 million (SMKK) + \$195 million (Dezita) = \$2.3 billion. It is also worth noting that ENRC could soon acquire the licences for Frontier and Lonshi mines. In January 2012, ENRC settled out of court with First Quantum for the sum of \$1.25 billion, in respect of claims on the Frontier and Lonshi mining projects, and although the mining licenses for these projects were not assigned to ENRC, the company still acquired Frontier SPRL and Comisa SPRL as part of the settlement, which were the two companies that previously held these licenses. On page 8 of a Deutsche Bank report of 31 January 2012, the bank assumes that ENRC will in due course acquire full title to the Frontier project by acquiring the license at an assumed \$300 million cost. According to a 17 August 2011 Bloomberg piece, Oriel Securities in September 2010 valued Frontier at \$1.4 bn and Lonshi at \$250m (Congolese State Miner Sells Stake in Former First Quantum Mines, <http://www.bloomberg.com/news/2011-08-17/congolese-state-miner-sodimico-sells-stake-in-former-first-quantum-mines.html>). A July 2010 report by Numis valued 100 per cent of Lonshi at \$392m and 95 per cent of Frontier at \$1.568 bn (which would put 100 per cent at \$1.65 billion). Additionally, two other valuations, obtained by Global Witness on condition of anonymity from financial institutions of international repute, put 95 per cent of Frontier at \$1.01 bn and \$1.851 bn (putting 100 per cent at \$1.06 billion and \$1.95 billion respectively). The average of the four Frontier valuations obtained by Global Witness was thus (\$1.4 billion + \$1.65 billion + \$1.06 billion + \$1.95 billion)/4 = \$1.51 billion. The average of the two Lonshi valuations is (\$250 million + \$392 million)/2 = \$321 million. If ENRC were to acquire the Frontier and Lonshi licences in their entirety, the value of ENRC’s assets in Congo would therefore increase to approximately \$4.131 billion (\$2.3 billion + \$1.51 billion + \$321 million).

² In a Sunday Times article dated 6 March 2011, Antoine Ghonda, a roving ambassador for President Kabila said: “Dan Gertler is a friend. The way our president works, he has close contacts and protects them.” Mr Gertler was pictured with President Kabila at his wedding (<http://congosiasa.blogspot.co.uk/2010/06/dan-gertler-at-it-again.html>) and at the funeral of presidential aide Katumba Mwanke in 2012, where he was sitting two seats away from the President (see photos at <http://www.digitialcongo.net/article/81501> and video at <http://www.youtube.com/watch?v=kmNUYi3WVsE>). Links last accessed 21 May 2012. In a response to questions from Global Witness, a spokesman for Mr Gertler appear to have confirmed that he is friends with President Kabila, saying in an e-mail from May 3 2012 that “It has been well reported that Mr Gertler enjoys a close friendship with the President.”

³ Emerald Star Enterprises Limited, a company associated with Dan Gertler, acquired 50 per cent of SMKK for \$15 million and sold it on to ENRC for \$75 million. In January 2010 Camrose, a company associated with Dan Gertler, took control of 70 per cent of the Kolwezi tailings project in exchange for a promise of a \$60 million signature bonus. It then sold 50.5 per cent of that 70 per cent stake (which therefore accounted for 50.5 per cent of the original \$60 million purchase cost, or \$30.3 million) for a sum of \$175 million, with other assets wrapped up in the deal. In return for the \$175 million payment to Camrose shareholders ENRC ended up with not only the 35.35 per cent (or 50.5 per cent of the 70 per cent stake) of the Kolwezi project, but also 45.4 million common shares of Africo Resources Limited and 56 per cent of the mining company Comide, both also previously held by Camrose. ENRC’s announcement did not break down the \$175 million according to how much it paid per asset. However, according to Global Witness’s calculations on the basis of data from the Toronto Stock Exchange (where Africo is listed) the 45.4 million shares in Africo Resources Limited were worth only US\$39.25 million at the time of the deal with ENRC. It would be necessary to obtain information on how much Mr Gertler’s companies paid for their stake in Comide before coming to a firmer conclusion on how much profit from the \$175 million could be attributed to the sale of the 35.35 per cent Kolwezi stake. However, if you discount the Africo shares at \$39.25 million, that would mean that \$135.75 million was paid for 35.35 per cent of Kolwezi and Comide. Given Mr Gertler’s track record of acquiring mining assets so cheaply, it seems unlikely that his companies would have paid as much for the more obscure Comide stake as it did for Kolwezi – the

latter being a major mine on the verge of production. One mining analyst at an international financial institution of international repute, who was working on ENRC, said that Comide is likely to have been put in valuations at zero or, if not, at a very low level. Considering this, and that the major Kansuki mine was spun out of Comide prior to the sale of the 56 per cent stake to ENRC, Global Witness believes it would be reasonable and generous to attribute a maximum \$30 million purchase cost to the Comide stake sold on to ENRC. Looking at how the \$135.75 million paid by ENRC for the Comide stake and the Kolwezi stake would break down by asset, it would therefore be reasonable to assume that ENRC attributed at least twice as much to the Kolwezi stake as it did to the Comide stake. According to this rationale, ENRC would have paid \$45.25 million for the Comide stake and \$90.5 million for the Kolwezi stake. On that basis, Mr Gertler's companies would have sold the Kolwezi stake on for roughly three times its purchase cost within a matter of months.

⁴ As discussed further below in this memo, ENRC has paid companies associated with Mr Gertler: \$75 million for 50 per cent of SMKK; \$175 million in respect of Kolwezi and associated assets (total \$250 million). According to Global Witness's calculations ENRC paid companies associated with Mr Gertler at least \$120 million for its purchase of CAMEC in September 2009. In addition to this, ENRC has paid \$195 million for Dezita, a company that appears to be associated with Mr Gertler.

⁵ Global Witness has seen copies of valuations relating to some of the assets acquired by Mr Gertler, and has obtained other valuations on condition of anonymity. See discussion in other endnotes. In comments sent to Global Witness in May 2012, Mr Gertler's representatives said: "When attractive assets have become available Fleurette has offered what it believes to be a fair price given the stage of development, associated risks and working interest of these assets. The value of these assets is determined by what the market is prepared to pay. There is a considerable amount of risk attached to these investments and no other party was prepared to pay a fraction of the sum paid by Fleurette. The Group has by no means bought every asset which it hoped to acquire since it began operating in the DRC, and whilst your question focuses on profits from successful ventures, it is important to add there are a number of projects that lose a lot of money."

See full answers at: <http://www.globalwitness.org/sites/default/files/library/Additional%20responses%20by%20Dan%20Gertler%20to%20Global%20Witness.pdf>.

⁶ ENRC Code of Conduct (<http://www.enrc.com/en-GB/Media1/Code-of-Conduct/>, last accessed 6 June 2012).

⁷ See The Guardian: "Cracks open over ENRC's Congo deals as chairman fails to endorse partner" available at <http://www.guardian.co.uk/business/2012/jun/07/enrc-cracks-appear-chairman-fails-to-endorse-partner> (last accessed on 8 June 2012). ENRC chairman Mehmet Dalman said, "If we have done things that are wrong or anybody in this organisation has done so, we will take appropriate action. We will be transparent about it and we will put it right."

⁸ See May 2012 answers from Mr Gertler's spokesman at: <http://www.globalwitness.org/sites/default/files/library/Additional%20responses%20by%20Dan%20Gertler%20to%20Global%20Witness.pdf>. In an e-mail dated 31 May 2012, Shimon Cohen, a spokesman for Mr Gertler, said that all beneficiaries of the Fleurette Group or Gertler Family Trust are members of Mr Gertler's family. Global Witness subsequently asked Mr Cohen whether this meant that every single company associated with Mr Gertler mentioned in our two lists of questions had no beneficiaries other than Mr Gertler's family members. Global Witness specified that by beneficiary, we are referring to: (a) beneficial shareholders (b) those who benefit from the company through other financial arrangements, whether arranged directly or indirectly." Global Witness did not receive a reply to this query. A spokesman for Mr Gertler has been quoted as saying that the Fleurette Group holds all of Mr Gertler's Congolese assets: see The Guardian: "Cracks open over ENRC's Congo deals as chairman fails to endorse partner" available at <http://www.guardian.co.uk/business/2012/jun/07/enrc-cracks-appear-chairman-fails-to-endorse-partner> (last accessed 8 June 2012).

⁹ Dan Gertler first came to prominence in the Democratic Republic of Congo in 2000 when he struck a deal with the regime of Laurent Kabila, which helped him secure a diamond purchasing monopoly (see The Jerusalem Post, "Congo signs \$700m. agreement with IDI Diamonds", 2 August 2000). After the death of Laurent Kabila, Mr Gertler then struck a major deal with the regime of Joseph Kabila, through his company Emaxon, which obtained purchasing rights on 88 per cent of the MIBA diamonds at a 5 per cent discount (see DGI Group of Companies press release of 27 October 2003, <http://www2.pnnewswire.co.uk/cgi/news/release?id=110616> last accessed 30 May 2012). Since 2004 Mr Gertler has built up holdings in major copper and cobalt projects in Congo. On 7 November 2007, CAMEC spokesman Ben Brewerton (who later acted as a spokesman for Mr Gertler in 2011 and 2012) commented on a CAMEC deal with Mr Gertler, saying: "It's clear that Dan Gertler is a well-connected and influential person in the DRC within the mining sector." He also said: "There's no doubt that having a strong partner like him arguing our case and supporting us through the JV should help rather than hinder us in resolving those (licence) issues." See Reuters, "UPDATE 2-CAMEC shares soar after agrees Congo joint venture", 7 November 2007; <http://uk.reuters.com/article/2007/11/07/camec-jv-idUKL071390120071107> (last accessed 30 May 2013).

¹⁰ In a March 2012 interview with a senior Gecamines source, Global Witness was told that Mr Mwanke was the *de facto* "chief" of Gecamines. In a leaked US government cable, dated December 2009 and available at <http://www.wikileaks.org/cable/2009/12/09KINSHASA1080.html> (last accessed 30 May 2012) Mr Mwanke is described as a "shady, even nefarious figure within Kabila's inner circle" who is known for "his business acumen, political discretion and efficiency, as well as his close relationship with Kabila". The cable also notes Mr Katumba's close relations to Dan Gertler, who has invited him to Israel, the home country of Mr Gertler. In the October 2002 Final report of the United Nations Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth in the DRC, Mr Mwanke was described as one of the chief figures in an "elite network of Congolese and Zimbabwean political, military and commercial interests [which] seeks to maintain its grip on the main mineral resources...of the Government-controlled area [of the Congo]." The report said, "This network has transferred ownership of at least US\$5 billion of assets from the State mining sector to private companies under its control in the past three years with no compensation or benefit for the State treasury." The United Nations Panel report described Mwanke as "a key power broker in mining and diplomatic deals". On the basis of these findings, the Panel put Mr Mwanke on a list of people that it recommended should be barred from travel outside Congo, have their personal assets frozen and be prevented from accessing the banking system. See UNSC, "Final report of the Panel of Experts", S/2002/1146, 16 October 2002, paragraphs 22 to 25 and Annex 2 (<http://www.undemocracy.com/S-2002-1146.pdf>, last accessed 30 May 2012).

¹¹ Between 2004 and 2005, Congo sold two of its top mining projects, the KOV and Kamoto mines for sums that were not declared at the time. Both Kinross-Forrest's and GEC's acquisitions of KOV and Kamoto had been roundly criticised in a September 2005 World Bank memo (see Financial Times, 3 January 2007, Transparency Fears Lead to Review of Congo Contracts, <http://www.ft.com/cms/s/0/c918d3a2-9a8a-11db-bbd2-0000779e2340.html#axzz1ru7A9HKX>). The memo - a copy of which has been obtained by Global Witness - stated that thorough valuations of the assets had not been executed by Gecamines, that the negotiation of the contracts had been made with a "complete lack of transparency" and that the dimensions of the assets exceeded "the norms for rational and highest use of the mineral assets". The Bank also called into question the technical competency of the companies who were awarded the assets. The contract relating to the transfer of 75 per cent of Kansuki mine to Kansuki Investments SPRL in 2010 has never been published, although it was referred to in Gecamines' list of joint ventures published online some time after the deal. Gecamines sold the remaining 25 per cent share of Kansuki to Biko Invest Corp in March 2011 at the extremely low price of \$17 million. A Deutsche Bank valuation published 6 June 2011 put Glencore's 37.5 per cent stake in Kansuki at \$313m - extrapolating from this would give a value of \$209m for a 25 per cent stake. Later that month, Liberum Capital valued Glencore's 37.5 per cent stake in Kansuki at \$86m, which would put a 25 per cent share at \$57.33m ("Glencore: unapologetically unique", 29 June 2011). Also in March 2011, Gecamines sold its remaining 20 per cent in Mutanda mine to Rowny Assets Limited for \$120m, again far below commercial estimates. Based on the same reports cited above from Deutsche Bank and Liberum Capital, this 20 per cent stake would be worth, respectively, \$626m or \$965m. Additionally, the 20 per cent stake in Mutanda would be worth: \$353m on the basis of a Nomura Equity Research briefing of May 2011; approximately \$375m on the basis of a graph published in a December 2011 research note by BMO Capital Markets; and \$849m on the basis of figures presented in Glencore's May 2011 IPO prospectus, once royalties are taken into account. It should be noted that in September 2011 Gecamines responded to queries from the IMF with a public letter, saying: "Gecamines Sarl valued its shares in MUMI SPRL [Mutanda Mining] at \$137m, far more than the valuation BNP Paribas did in April 2010 of \$108m in an approach *basé sur un escompte des flux de trésorerie*." (<http://www.congomines.org/wp-content/uploads/2011/11/GCM-2011-ResponseFMIVenteMumi.pdf>, last accessed 11 June 2012) The letter gives the impression that Mutanda alone was sold for \$137m - whereas in fact this sales tag was for Kansuki and Mutanda combined. Regarding the reference to a BNP valuation of \$108m for Mutanda, Global Witness has difficulty accepting this as credible, given that: BNP has provided scant details on the valuation (see below); neither Gecamines nor any other party has published the valuation nor even any details relating to it; and that it differs so widely from the other five valuations obtained by Global Witness, some of which were received in printed form, along with details of the calculations. Glencore and Mr Gertler's representatives have disputed that Mr Gertler bought his assets at far below commercial values (see earlier Global Witness memo of 9 May 2012, "Secrecy surrounding Glencore's business deals in the Democratic Republic of Congo risks exposing shareholders to corrupt practices" at www.globalwitness.org/secretsales and World Radio Switzerland programme of 10 May 2012 at <http://worldradio.ch/wrs/news/switzerland/glencore-accused-of-risky-dealings-in-dr-congo-print.shtml>, last accessed 8 June 2012). In January 2010, the Dan Gertler-associated Highwind Group bought 70 per cent of the Kolwezi project for a \$60m signature bonus. On the basis of a July 2010 Numis estimate - putting 65 per cent of Kolwezi at \$2.498 bn - a 70 per cent stake would have been worth \$2.69 bn. On the basis of two other valuations, which Global Witness obtained on condition of anonymity from financial institutions of international repute, 70 per cent of Kolwezi would be worth respectively \$334m (December 2009) and \$1.58 bn (May 2010). Between June 2010 and March 2011, Frontier and Lonshi mines were entirely sold off by Congo for a total of \$60m. According to a 17 August 2011 Bloomberg piece, Oriel Securities in September 2010 valued Frontier at \$1.4 bn and Lonshi at \$250m (Congolese State Miner Sells Stake in Former First Quantum Mines). A July 2010 report by

Numis valued 100 per cent of Lonshi at \$392m and 95 per cent of Frontier at \$1.568 bn. Additionally, two other valuations, obtained by Global Witness on condition of anonymity from financial institutions of international repute, put 95 per cent of Frontier at \$1.01 bn and \$1.851 bn. In response to e-mailed queries from Global Witness, BNP Paribas wrote on 16 May 2012, in response to its reported \$108 million valuation of Mutanda: "BNP Paribas was mandated on September 2, 2009 by Gecamines to review certain assets of the company. A report was delivered on April 2, 2010. We want to underline that our review was not a 'Fairness Opinion'. It was also not done in the context of an asset sale negotiation. After the report was delivered, BNP Paribas did not perform any further work on that matter for Gecamines. We understand from public sources that Gecamines sold some of its assets 18 months later, around the end of 2011, under a different chairmanship. BNP Paribas was not involved in any of these asset sales. Our methodology, which included forecasts for the period and data provided by the company at the time (i.e. dating prior to Q1 2010), was the methodology in use in the profession."

¹² Mining projects partly divested to offshore companies associated with Dan Gertler include Mutanda, Kansuki, SMKK and Kolwezi. Frontier, Lonshi and the permit controlled by Dezita Investments also appear to have been sold to companies associated with Mr Gertler, as explained in the main text of this memo. Congo's state-run company Gecamines sold a 20 per cent stake of Mutanda in March 2011 to Rowny Assets Limited, a British Virgin Islands company. Glencore says is "associated with Dan Gertler" (see Glencore's May 2011 IPO prospectus, page 70). Gecamines transferred a 75 per cent share in Kansuki mine to Kansuki Investments SPRL in July 2010 (see list of Gecamines joint ventures on the Gecamines website: http://mines-rdc.cd/fr/documents/Liste_partenariats_Gecamines.pdf, last accessed 25 April 2011). Mr Gertler's spokesman has confirmed that Fleurette Group, another offshore entity, is a 50 per cent shareholder in Kansuki Investments SPRL and is owned by a trust for the benefit of Mr Gertler's family. In March 2011 the remaining 25 per cent share in Kansuki mine was sold to Biko Invest Corp (see contract published on Gecamines website: http://www.gecamines.cd/files/contrat_cession_parts_sociales_biko.pdf, last accessed 25 April 2012), a British Virgin Islands company that Glencore has described as "associated with Dan Gertler" (see Glencore IPO prospectus, page 70). Gecamines sold a 50 per cent stake in SMKK in early 2010 to Emerald Star Enterprises Limited, registered in the British Virgin Islands. Emerald Star Enterprises Limited sold its interest to ENRC, which declared in a 23 March 2011 statement that Emerald Star Enterprises Limited is an entity "controlled by the Gertler family trust" (see ENRC 2010 preliminary results, page 67, <http://www.enrc.com/PageFiles/5041/23-03-11%20Announcement%20of%202010%20Preliminary%20Results.pdf>, last accessed 25 April 2012.). In January 2010 Gecamines sold 70 per cent of the Kolwezi project to four British Virgin Island companies (Highwind Properties Limited, Pareas Limited, Interim Holdings Limited and Blue Narcissus Limited) – see contract published on the Congolese Ministry of Mines website, last accessed 25 April 2012: http://mines-rdc.cd/fr/documents/contrat_gcm_highwind.pdf. In August 2010 ENRC announced it acquired a 50.5 per cent in Camrose, the parent company of those four companies (see ENRC press release of 20 August 2010: [http://www.enrc.com/Documents/PressReleases/CamroseAnn2\(20_8_2010_15_29_221\).pdf](http://www.enrc.com/Documents/PressReleases/CamroseAnn2(20_8_2010_15_29_221).pdf)). ENRC announced that it purchased the Camrose shares from Silvertide Global Limited, Zanette Limited and Cerida Global Limited which it described as all being "held by the Gertler Family Trust". Seventy per cent of the Frontier and Lonshi projects were sold off in June 2010 to a Hong Kong-registered company, Fortune Ahead Limited (See contract on Ministry of Mines website, under which state mining company Sodimico formed a joint venture to run the mines with Fortune Ahead: http://mines-rdc.cd/fr/documents/Contrat_convention_sodifor.pdf, last accessed 26 April 2012). The remaining 30 per cent was sold off to two British Virgin Islands companies (Sandro Resources Limited and Garetto Holdings Limited) on the same day that the Mutanda and Kansuki shares were sold to Rowny Assets Limited and Biko Invest Corp (for Sandro and Garetto contract and accompanying document detailing the price see Ministry of Mines website: http://mines-rdc.cd/fr/documents/accord_cession_parts_sodimico_sandro_garetto.pdf and http://mines-rdc.cd/fr/documents/accord_prix_achat_sodimico_sandro_garetto.pdf, last accessed 26 April 2012). See page 6 of this memo for circumstantial evidence pointing to an apparent link between Mr Gertler and the companies Sandro and Garetto.

¹³ Using data from the base case valuation by Golder Associates in Glencore's May 2011 IPO prospectus, state mining company Gecamines would have received revenues and royalties of \$1.3 billion from Mutanda alone over the stated life of the mine for its 20 per cent stake. Gecamines sold Rowny Assets Limited the stake for \$120 million. When one also takes into consideration the extremely low prices the Congolese state received for Kolwezi, Kansuki, Frontier and Lonshi, it is safe to assume the loss of revenues comes to billions of dollars.

¹⁴ Mutanda, Kansuki, SMKK, Frontier and Lonshi have all been fully privatised.

¹⁵ A letter dated 19 May 2011 from state-run mining company Sodimico details instructions given by the Congolese government to the company to pay \$10 million to the General Account for the Treasury for the financing of 2011 elections (see Reuters: "UPDATE 1-Congo sells mining assets to fund polls -MPs, docs", which mentions the date; Bloomberg story: "Congolese State Miner Sodimico Sells a Stake in Former First Quantum Mines". The Bloomberg article states: "Bloomberg News received a copy of the letters from the National Assembly's Economic and Financial Committee and Kangoa [Sodimico Chief Executive Officer Laurent Lambert Tshisola Kangoa] confirmed their content"). Sodimico had on 28 March 2011 agreed to sell its share of Frontier and Lonshi for \$30m to two British Virgin Island companies (Sandro Resources Limited and Garetto Holdings Limited) registered by the same offshore agents that registered Biko Invest Corp and Rowny Assets Limited, two companies associated with Dan Gertler which also on 28 March 2011 secretly purchased prime mining assets. ENRC is expected to purchase rights over Frontier and Lonshi, as explained in endnote 1.

¹⁶ The US government described the elections as "seriously flawed" (US Ambassador to Congo James Entwistle, cited for example in BBC online article, "DR Congo election: US says poll was 'seriously flawed'", 15/12/11: <http://www.bbc.co.uk/news/world-africa-16191863>, last accessed 26 April 2012). The Carter Centre electoral observation mission said the election results "lack credibility" (see Carter Center statement of 10 December 2011, "Carter Center: DRC Presidential Election Results Lack Credibility": <http://www.cartercenter.org/news/pr/drc-121011.html>, last accessed 26 April 2012). In a report published on 29 March 2012, the European Union observer mission said that the results "were not credible in the light of numerous irregularities and fraud witnessed during the electoral process" (AFP piece of 29 March 2012, "EU says DR Congo vote results 'not credible'", <http://www.google.com/hostednews/afp/article/ALeqM5gYKtHXkeY53LZw4zTCrseLXwE2sg?docId=CNG.e201d56eb2b61927ecd3238a3ab62220.771>, last accessed 21 May 2012).

¹⁷ Human Rights Watch documented at least 24 people killed in electoral and post-electoral violence, and dozens more arbitrarily arrested. See report of 22 December 2011, "DR Congo: 24 Killed since Election Results Announced", <http://www.hrw.org/news/2011/12/21/dr-congo-24-killed-election-results-announced>, last accessed 26 April 2012.

¹⁸ http://hdr.undp.org/en/media/HDR_2011_EN_Table1.pdf, last accessed 21 May 2012.

¹⁹ A confidential five-year plan by state mining company Gecamines, issued in January 2012, and seen by Global Witness states that the company's priority is to focus on boosting production rather than selling any more state assets. A senior Gecamines source has told Global Witness that the best Katangan mining assets have now been privatised.

²⁰ See ENRC 2011 annual report, "Unlocking Value", published April 2012, page 58 (<http://www.enrc.com/Documents/Board%20of%20Directors%202011.pdf>): "During 2011, ENRC was the subject of various press stories including the purchase of certain DRC assets and the subsequent civil dispute, which has now been settled. As with other companies in this sector, ENRC regularly liaises with authorities including the SFO. The SFO has always been very clear that its doors are always open to companies that want to discuss issues relating to anti-corruption and compliance. ENRC has engaged with the SFO to brief them about the company's anti-corruption, corporate governance and compliance efforts and to provide information about the internal Audit Committee's investigations."

²¹ On 18 September 2009, it was announced that the boards of directors of ENRC and CAMEC had reached agreement on the terms of a recommended cash offer (see ENRC press release of 18 September 2009, <http://www.enrc.com/PageFiles/5145/18-09-09%20Recommended%20Cash%20Offer%20for%20CAMEC.pdf>, last accessed 21 May 2012). On 10 October 2008, CAMEC had entered into a share purchase agreement with Kara Enterprises Limited, acquiring 50 per cent of the SMKK project for \$85 million (see CAMEC statement of 23 October 2008 <http://www.investgate.co.uk/articlePrint.aspx?id=200810231202395372G>, last accessed 30 May 2012; more specific information, including the role of Kara, is contained in the share sale agreement between Kara Enterprises Limited and CAMEC of 10 October 2008, a document seen by Global Witness).

²² In board minutes of 9 April 2010, obtained by Global Witness, Gecamines refers to a \$15 million payment from the sale of SMKK.

²³ See page 67 of 23 March 2011 announcement of 2010 preliminary results at <http://www.enrc.com/PageFiles/5041/23-03-11%20Announcement%20of%202010%20Preliminary%20Results.pdf>. The report says that Emerald Star Enterprises Limited is an "entity controlled by the Gertler family trust".

²⁴ See page 21 of ENRC Africa Holdings Limited Financial Statements for the year ended 31 March 2010, filed at UK Companies House. Copy obtained by Global Witness.

²⁵ *Ibid*

²⁶ A transcribed excerpt from Gecamines board minutes of 2 February 2010 states that Gecamines agrees to the sale of Emerald Stars Enterprises Limited for \$15 million (transcript received May 2012). Additional documentation from Gecamines also refers to the sale taking place in February 2010, according to a source familiar with the affair.

²⁷ Page 21 of ENRC Africa Holdings Limited Financial Statements for the year ended 31 March 2010, filed at UK Companies House. Copy obtained by Global Witness

²⁸ The right of first refusal was originally assigned to Melkior Resources in 1999 as per Article 23.3 of the joint venture contract between Melkior and Gecamines in respect of SMKK, available at http://mines-rdc.cd/fr/documents/avant/gcm_melkior%20resources%20inc.pdf (last accessed 11 June 2012). This right of first refusal would have been transferred to CAMEC when it bought the stake in 2008, and then to ENRC when it purchased CAMEC in 2009.

²⁹ First Quantum listed the reasons provided by the Congolese government for the revocation of its permit at Kolwezi on 28 August 2009, available at http://www.first-quantum.com/Theme/FirstQuantum/files/doc_news/2009-08-28_NR.pdf, last accessed 11 June 2012. In a report on 7 July 2010, Numis Securities noted that "First Quantum have, unfortunately for its shareholders, provided a textbook case study in the perils of applying high corporate governance standards to a region where the rule of law is clearly not independent from political interests. We believe that the company has been the victim of a classic shakedown, simply because it refused to play the "brown envelope game". As a consequence, in our view it has always seemed that First Quantum have excellent grounds to dispute both the Kolwezi and the Frontier/Lonshi court rulings."

³⁰ According to a court judgment in the British Virgin Islands (BVIHC (COM) 2010/0125, page 3) the Highwind Group signed its contract on the "same day" as Gecamines cancelled First Quantum's licence over Kolwezi. The contract between Gecamines and the Highwind Group, dated January 2010, is available at http://mines-rdc.cd/fr/documents/contrat_gcm_highwind.pdf (last accessed 29 May 2012).

³¹ Global Witness has obtained copies of the Gecamines board minutes of 8 January 2010 and the contract between the Highwind Group and Gecamines, also dated January 2010 and available at http://mines-rdc.cd/fr/documents/contrat_gcm_highwind.pdf (last accessed 24 May 2012). The Highwind Group is comprised of four companies: Highwind Properties Limited, Pareas Limited, Interim Holdings Limited and Blue Narcissus Limited, all of which are represented by Sydney Attias, a Gibraltar based financial consultant at Castiel Winsor, a well known Gibraltar firm.

³² See page 21 of Highwind contract with Gecamines, available at http://mines-rdc.cd/fr/documents/contrat_gcm_highwind.pdf.

³³ As per an executed Letter of Intent between ENRC and Silvertide Global Limited, Zanette Limited and Cerida Global Limited, dated 14 June 2010, a copy of which has been obtained by Global Witness.

³⁴ See 20 August 2010 ENRC press release [http://www.enrc.com/Documents/PressReleases/CamroseAnn2\(20_8_2010_15_29_221\).pdf](http://www.enrc.com/Documents/PressReleases/CamroseAnn2(20_8_2010_15_29_221).pdf), last accessed 23 May 2012.

³⁵ *Ibid.*

³⁶ As per page 5 of executed Letter of Intent between ENRC and Silvertide Global Limited, Zanette Limited and Cerida Global Limited, dated 14 June 2010, a copy of which has been obtained by Global Witness. \$150 million of the \$400 million loan was in effect to pay back Vipar Investments Limited, whose affiliate has been described on page 4 of the Camrose articles of association as Africa Management Limited. An affiliate of Africa Management Limited, African Global Capital (SA) lists as its address 54 Melville Road, The Reserve, Illovo, 2196 (in Johannesburg) (as per the annual return of 18 September 2010 for Africa Management (UK) Limited); - the same address as that listed for the directors of Caprikat (page 41 of the Production Sharing Agreement of May 2010), one of two British Virgin Islands companies awarded stakes in Lake Albert oil blocks. The signatories for Caprikat Limited and Foxwhelp Limited were the nephew and lawyer of South Africa's President Jacob Zuma.

³⁷ See Eurasian Natural Resources Corporation PLC, "Statement regarding possible legal action against Eurasian Natural Resources Corporation", 9 September 2010 ([http://www.enrc.com/Documents/PressReleases/09Sept_PossLegalAct\(9_9_2010_12_12_965\).pdf](http://www.enrc.com/Documents/PressReleases/09Sept_PossLegalAct(9_9_2010_12_12_965).pdf), last accessed 7 June 2010).

³⁸ Thomson Reuters Streetevents: Edited Transcript, Enrc.L - Eurasian Natural Resources Corp Plc Agreement Signed With First Quantum Minerals Ltd. Conference Call, Event Date/Time: January 05, 2012 / 1:15pm GMT: Liam Fitzpatrick - Credit Suisse: "I think most of my questions have been answered. I just wanted to double check on the financing of this, given your 50 per cent ownership of Camrose. This is going to be fully-funded by ENRC rather than any joint funding by Camrose or any -?" Felix Vulis: "That is correct".

³⁹ As part of the ENRC acquisition of Camrose, Cerida sold 3,130 of its 16,000 Camrose shares, Silvertide all of its 8,000 Camrose shares and Zanette all of its 2,000 Camrose shares. This left 12,870 shares in the hands of Cerida, or 34.65 per cent of Kolwezi (49.5 per cent of 70 per cent) in the hands of Cerida. This information is contained in the "Agreement for the sale and acquisition of 50.5% of the issued share capital of Camrose Resources Ltd.", page 35. An unsigned copy of this agreement - between Cerida Global Limited, Silvertide Global Limited, Zanette Limited and ENRC Congo BV - has been seen by Global Witness.

⁴⁰ It is worth noting that these hidden interests and Dan Gertler will take a greater share of production revenues (34.65 per cent) than the Congolese state will from its 30 per cent (100 per cent minus 70 per cent) stake in Kolwezi.

⁴¹ First Quantum's account of this was detailed in a 24 May 2010 statement available at <http://www.first-quantum.com/Media-Centre/Press-Releases/Press-Release-Details/2010/First-Quantum-Provides-Update-on-Sodimico-Proceedings-Conference-Call-on-Monday-May-24-2010/default.aspx> (last accessed 11 June 2012).

⁴² Fortune Ahead Limited articles of association, dated 13 May 2010, obtained by Global Witness.

⁴³ See page 19 of contract between Gecamines and Fortune Ahead Limited, available at http://mines-rdc.cd/fr/documents/Contrat_convention_sodifor.pdf.

⁴⁴ Sales agreement available at: http://mines-rdc.cd/fr/documents/accord_cession_parts_sodimico_sandro_garetto.pdf. Price agreement available at: http://mines-rdc.cd/fr/documents/accord_prix_achat_sodimico_sandro_garetto.pdf.

⁴⁵ According to a 17 August 2011 Bloomberg piece, Oriel Securities in September 2010 valued Frontier at \$1.4 bn and Lonshi at \$250m (Congolese State Miner Sells Stake in Former First Quantum Mines). A July 2010 report by Numis valued 100 per cent of Lonshi at \$392m and 95 per cent of Frontier at \$1.568 bn. Additionally, two other valuations, obtained by Global Witness on condition of anonymity from financial institutions of international repute, put 95 per cent of Frontier at \$1.01 bn and \$1.851 bn.

⁴⁶ Biko Invest Corp and Rowny Assets Limited have been described as "entities associated with Dan Gertler" in the May 2011 Glencore Initial Public Offering prospectus. See page 70 of Glencore IPO prospectus. The registered agent for these companies and for Sandro Resources Limited and Garetto Holdings Limited, is Trident Trust Company (BVI) Ltd., as per corporate records. Trident Trust Company (BVI) Ltd is just one of over 120 registered agents in the BVI.

⁴⁷ Contracts available at http://www.gecamines.cd/files/contrat_cession_parts_sociales_biko.pdf, and http://www.gecamines.cd/files/contrat_cession_parts_sociales_rowny.pdf and http://mines-rdc.cd/fr/documents/accord_cession_parts_sodimico_sandro_garetto.pdf. The date of all contracts was 28 March 2011.

⁴⁸ These details are available at the following website: <http://www.enrc.com/PageFiles/5637/05-01-12%20Announcement%20-%20Agreement%20signed%20with%20First%20Quantum%20Minerals%20Ltd.pdf>

⁴⁹ See Dow Jones Newswires: "2nd UPDATE: ENRC Settles Congo Dispute With \$1.25 Billion Deal", 5 January 2012. The piece says: "ENRC is in separate talks with Hong Kong's Fortune Ahead Ltd., the owner of Frontier's mining license, to secure those mining rights, Vulis added.

⁵⁰ In a conference call on January 5 2012, Mr Vulis said: "In terms of the Frontier, we are seeing ENRC acquiring 100% of Frontier processing plant as well as Lonshi mine. As you know, the license, the mining license for this property belongs to a Hong Kong-based company and so, basically what I said in my opening remarks, that basically by closing this specific transaction, it will just allow us to discuss potential situations with the licensee holder of this specific asset." See Thomson Reuters Streetevents, Edited Transcript, Enrc.L - Eurasian Natural Resources Corp Plc Agreement Signed With First Quantum Minerals Ltd. Conference Call, Event Date/Time: January 05, 2012 / 1:15pm GMT, page 2.

⁵¹ In its report of 31 January 2012 on ENRC's 4th quarter 2011 production, Deutsche Bank says: "We assume that ENRC buys the Frontier mining licence and owns Frontier 100%. We have assumed a full US\$300m acquisition cost." This suggests that Deutsche Bank expects ENRC to strike a deal over the Frontier mining licence with Sandro Resources Limited and Garetto Holdings Limited. The report is significant, given that Deutsche Bank is a corporate broker to ENRC (see <http://www.enrc.com/en-GB/Investors/Advisors/>), last accessed 6 June 2012.

⁵² The 5 January 2012 agreement, worth \$1.25 bn, between ENRC and First Quantum gave ENRC rights to acquire First Quantum's residual assets and settle all legal claims in relation to their Democratic Republic of Congo operations. Under the terms of the transaction, ENRC acquired with certain limited exceptions, all of FQM's assets and property either physically located within the DRC or relating to the operations formerly carried out by FQM and its subsidiaries in the DRC, through the acquisition of: a) Kolwezi Investments Limited and its subsidiary Congo Mineral Developments Limited (a 65% shareholder in KMT (in liquidation), the former developer of the Kolwezi Tailings project); b) Frontier SPRL (the former owner/operator of the Frontier Mine); c) Compagnie Minière de Sakania SPRL (the former owner/operator of the Lonshi Mine); and d) Roan Prospecting & Mining SPRL (the holder of certain assets relating to the Kolwezi Tailings Project). See <http://www.enrc.com/PageFiles/5637/05-01-12%20Announcement%20-%20Agreement%20signed%20with%20First%20Quantum%20Minerals%20Ltd.pdf> (last accessed 29 May 2012).

⁵³ See page 11 of ENRC's Annual Report and Accounts 2011 (http://www.enrc.com/PageFiles/197/ENRC_ARA%202011_Final.pdf, last accessed, 6 June 2012).

⁵⁴ In Congo's Mining Registry, the address for Dezita is: BLD du 30 juin, galerie centenaire 2b4, Kinshasa/Gombe. Mining registry can be found at: <http://www.congomines.org/wp-content/uploads/2011/11/CAMI-2011-Liste-Titulaires-Incl-Adresses.pdf>. In an agreement between Africo Resources Limited and La Congolaise des Mines et Développement (Comide SPRL) of 17 April 2008, seen by Global Witness, the address for Comide in the notice section of the contract (article 13) is: Address: c/o Bld. du 30 juin, Galeries du Centenaire 2B4, Gombe, Kinshasa Democratic Republic of the Congo, Fax no.: +243- 243-8130-13831, Attention: Pieter Deboutte. In the BVI records of Tremalt, another company associated with Mr Gertler, the address is given as: Mr. Pieter Deboutte, Gal Du Centenaire 2B4, Bid Du 30 Juin, Gombe, Kinshasa, Republique Democratique Du Congo.

⁵⁵ See “Gertler-linked fund RP EMF opposes Camec move on Katanga”, Metal Bulletin, July 12, 2007, <http://www.metalbulletin.com/Article/1686867/Search/Gertler-linked-fund-RP-EMF-opposes-Camec-move-on.html?PageId=196010&Keywords=opposes+Camec+move+on+Katanga&OrderType=1> (last accessed 6 June 2012). Katanga Mining Limited was originally formed after private company Kinross-Forrest obtained 75 per cent of the Kamoto mine and renamed itself Katanga Mining Limited in 2005 via a reverse merger (i.e. the takeover of a company by a smaller company). In 2008 Katanga Mining Limited merged with Nikanor, the holding company of GEC, which had obtained a share in the KOV mine in 2005. Dan Gertler was one of the principle shareholders of GEC at the time. Both Kinross-Forrest’s and GEC’s acquisitions had been roundly criticised in a September 2005 World Bank memo (see Financial Times, 3 January 2007, Transparency Fears Lead to Review of Congo Contracts, <http://www.ft.com/cms/s/0/c918d3a2-9a8a-11db-bbd2-0000779e2340.html#axzz1ru7A9HKx>). The memo - a copy of which has been obtained by Global Witness - stated that thorough valuations of the assets had not been executed by Gecamines, that the negotiation of the contracts had been agreed with a “complete lack of transparency” and that the dimensions of the assets exceeded “the norms for rational and highest use of the mineral assets”. The Bank also called into question the technical competency of the companies who were awarded the assets.

⁵⁶ CAMEC said in a public statement on 31 August 2007 that its offer for Katanga Mining Limited was specifically disrupted by the Congolese authorities by the revocation of its license. See “Central African Mining & Exploration Company Plc: Update regarding mining permit” (<http://www.investigate.co.uk/article.aspx?id=200708311045020770D>, last accessed 6 June 2012). The statement says: “As stated in CAMEC’s previous announcement it believes that these actions are clearly timed to impact CAMEC’s offer for Katanga Mining Limited (‘Katanga’) (which was announced yesterday) and the manner in which they have been processed is highly irregular. CAMEC believes that this action is motivated by commercial forces in the DRC who oppose CAMEC’s proposed acquisition of Katanga.” See “CAMEC plunges as mining licence is revoked”, The Independent, 31 August 2007 (<http://www.independent.co.uk/news/business/news/camec-plunges-as-mining-licence-is-revoked-463661.html>, last accessed on 23 May 2012) which details some of the problems faced by CAMEC after it bid for Katanga Mining Limited. These problems were resolved after CAMEC agreed to succumb to pressure by Dan Gertler to merge with a Gertler-controlled company. See Reuters, “UPDATE 2-CAMEC shares soar after agrees Congo joint venture”, November 7 2007 (<http://uk.reuters.com/article/2007/11/07/camec-jv-idUKL0771390120071107>, last accessed 6 June 2012).

⁵⁷ See <http://www.independent.co.uk/news/business/news/camec-plunges-as-mining-licence-is-revoked-463661.html> (last accessed 6 June 2012).

⁵⁸ See <http://www.independent.co.uk/news/business/news/camec-plunges-as-mining-licence-is-revoked-463661.html>. Also see CAMEC statement of 5 September 2007, Camec Withdraws Offer for Katanga (<http://www.investigate.co.uk/article.aspx?id=200709051428343548D>, last accessed 6 June 2012).

⁵⁹ See 3 July 2006 disclosure by Nikanor to the Alternative Investment Market, available at: <http://www.investigate.co.uk/Article.aspx?id=200607031800376051F> (last accessed 23 May 2012).

⁶⁰ See 6 November 2007 article in www.Globeandmail.com, “Katanga, Nikanor to create African mining giant”. See also Katanga Mining Limited public statement: “Recommended Merger of Katanga and Nikanor to Create a Leading African Copper and Cobalt Company”, 6 November 2007 (<http://www.marketwire.com/press-release/Recommended-Merger-Katanga-Nikanor-Create-Leading-African-Copper-Cobalt-Company-Full-789332.htm>, last accessed 6 June 2012).

⁶¹ See CAMEC public statement of 7 November 2007, “CAMEC signs MOU to create new DRC Joint Venture Company” (<http://www.investigate.co.uk/article.aspx?id=200709051428343548D>, last accessed 6 June 2012).

⁶² As reported on 7 February 2008 in CAMEC disclosure entitled “DRC Update”, available at <http://www.investigate.co.uk/ArticlePrint.aspx?id=200802070729074872N>. See also CAMEC statement of 7 May 2008, “Circular re DRC Joint Venture Acquisition and Trading Update” (http://www.bloomberg.com/apps/news?pid=conewsstory&refer=conews&tkr=CFM:LN&sid=az_IENrBj_E, last accessed 6 June 2012).

⁶³ See CAMEC statement of 4 March 2008, “Central Afr. Min&Exp DRC Update” and the following statement of 10 March 2008 (both documents entitled “DRC Update”). See 4 March 2008 statement at <http://www.investigate.co.uk/Article.aspx?id=200803040908552866P> (last accessed 6 June 2012). See 10 March 2008 statement at <http://www.investigate.co.uk/Article.aspx?id=200803101030017150P> (last accessed 6 June 2012).

⁶⁴ As part of its obligations as a company listed on London’s Alternative Investment Market, CAMEC was obliged to disclose shareholders who retained greater than 3 per cent of the company.

⁶⁵ See 5 June 2008 release. <http://www.investigate.co.uk/ArticlePrint.aspx?id=200806051811021190W>

⁶⁶ Two of the companies receiving shares of CAMEC, Gladioli International Group Limited and Delena International Limited, are British Virgin Islands companies. Both companies were cited in a 21 September 2009 CAMEC release as having been at least partly owned by the Ashdale Settlement, a Dan Gertler associated trust (See 21 September 2009 CAMEC release <http://www.investigate.co.uk/article.aspx?id=200909211748194232Z>). Gladioli International Group Limited could not have been a shareholder of Prairie International until after the November 2007 deal with CAMEC was announced, as it was not incorporated until 30 January 2008. Delena International Limited was incorporated the day before CAMEC had announced that it had resolved its problems with the Congolese government – on 3 March 2008. Global Witness has not been able to obtain records on Padbury Holdings Limited.

⁶⁷ See ENRC statement of 18 September 2009, “Recommended cash offer by Eurasian Natural Resources Corporation PLC (“ENRC” or “the Group”) for Central African Mining & Exploration Company PLC (“CAMEC”)” (<http://www.enrc.com/PageFiles/5145/18-09-09%20Recommended%20Cash%20Offer%20for%20CAMEC.pdf>, last accessed 6 June 2012).

⁶⁸ See CAMEC statement of 21 September 2009 (<http://www.investigate.co.uk/article.aspx?id=200909211748194232Z>, last accessed 6 June 2012). In a 2010 Katanga Mining Limited notice of an annual and special meeting of shareholders, the Ashdale Settlement is listed as a 13.8 per cent shareholder of Katanga Mining Limited, alongside Glencore’s 74.4 per cent shareholding. As discussed earlier in this note, Mr Gertler has substantial interests in Katanga Mining Limited. The Ashdale settlement is also managed by Line Trust Corporation, the Gibraltar based law firm that services many of the offshore entities associated with Mr Gertler.

⁶⁹ See ENRC statement of 18 September 2009, “Recommended cash offer by Eurasian Natural Resources Corporation PLC (“ENRC” or “the Group”) for Central African Mining & Exploration Company PLC (“CAMEC”)” (<http://www.enrc.com/PageFiles/5145/18-09-09%20Recommended%20Cash%20Offer%20for%20CAMEC.pdf>, last accessed 6 June 2012).

⁷⁰ Details are included on page 3 of the 10 October 2008 share sale agreement between Kara Enterprises Limited and CAMEC. As part of CAMEC’s consideration to acquire 50 per cent of SMKK it transferred 230,978,260 shares to Kara Enterprises Limited. This figure is 29,874,844 greater than the 201,103,416 shares ascribed to Kara Enterprises Limited in ENRC’s offer for CAMEC, or the exact number of shares allocated to Autumn Breeze Global Limited.

⁷¹ In a 10 October 2008 share purchase agreement between Kara Enterprises Limited and CAMEC, Dino Chincotta signs for Kara Enterprises Limited in his capacity as director. Similarly in a 25 April 2008 amendment to a subscription agreement between Camrose and Africo Resources Limited, Dino Chincotta signs as a director of Camrose. Global Witness has seen copies of both documents.w