

**Global Witness**

Lloyds Chambers  
1 Portsoken Street  
London  
E1 8BT

22 April 2016

Dear Sirs

We refer to your two letters dated 8 April 2016, one addressed to each of us.

Factual corrections

We wish to draw your attention to the fact that Mr Edmonds stepped down from the board of Sable Mining Africa Limited in October 2014 and has no continuing role with the company. In addition, please note that Mr Edmonds, who was born in Zambia and has always been non-domiciled in the UK, ceased in March 2015 to reside at 15 Gloucester Place Mews (where we note from the emailed version received that you have addressed your letter) and is now fully resident outside the UK; Mr Edmonds has not therefore received your letter. Mr Groves, who was born in Zimbabwe is also resident outside the UK.

Your letter

We find the tone and content of your letters to be astonishing given the allegations being made, in a seemingly offhand manner, without regard for their seriousness. Mr Edmonds and Mr Groves deny any allegations of wrongdoing and we fail to understand how it can be suggested that Mr Edmonds and Mr Groves have established high profile intercontinental businesses, raising monies on the public markets (subject to the rules of those markets) and committed so much time and effort to these commercial ventures, simply to inflate values and siphon off cash, when at all times they have been subject to regular scrutiny and review (in the same way as directors of any other listed company) from external auditors, advisors and regulators.

The tone of your correspondence is, in our view inflammatory and prejudiced, and therefore we question the reliability of any conclusions which you may plan on drawing from the alleged facts which you are presenting. Furthermore, and importantly, your letter appears to be premised on an assumption of nebulous guilt, which is based on testimony we would regard as unreliable (having on

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the face of it been received from discredited, disaffected and biased former business associates and internet reports/other journalism) but which you appear to accept as accurate without due investigation.

Our statement regarding reliability of testimony is not unsubstantiated. It appears that two of your principal sources are Vivek Solanki and Heine van Niekerk, or people associated or connected with them. Dr Solanki's character must be questioned as since the breakdown in his relationship with Mr Edmonds, Mr Groves and AMI, he has been accused of criminal fraud in both Zimbabwe and South Africa, investigations by forensic auditors have confirmed that he had stolen monies from AMI and he has been the subject of medical malpractice proceedings. Mr van Niekerk has had well publicised disputes with Sable arising from the fact that commercial transactions were not completed (as conditions precedent were not satisfied by Mr van Niekerk) which meant that he did not receive the financial returns which he had hoped for. In this context, it cannot be appropriate to give weight to their testimony or that of other disaffected parties (including any allegations of intimidation) as they clearly have questionable motives.

In our view, all of this suggests that your agenda is simply to increase your own profile in the media and we find this to be both obnoxious and morally abhorrent. Indeed, we know that you have already been promoting your draft report to the media, specifically to the Wall Street Journal, who attempted to contact Mr Groves prior to your letters being sent. In this context, how is it possible to believe that you are acting in an impartial and unbiased manner in the preparation of your report? We can see no other interpretation other than that you have decided on how you wish to present matters, before contacting those against whom you are making serious allegations, and are attempting to corrupt the mainstream media in the process.

The approach adopted by your team, in our view, demonstrates a degree of naivety and a superficial analysis of fifteen years of commercial activities in one of the most exciting, complex, traumatic and often difficult commercial arenas in the world. With respect, we therefore do not believe that you understand the subject matter to which you are referring in your letter. This reality is exposed in the following three major points of "*business history*" to which you refer. You blandly state that:

1. "*White Nile negotiated a deal with rebels in South Sudan*"; this is simply untrue and all dealings were with the Civil Authority for the New Sudan, which as you will be aware was the direct predecessor to the Government of Southern Sudan which, has since been replaced on cession by the Government of the Republic of South Sudan.

2. *“CAMEC financed a crooked election in Zimbabwe by providing a cash lifeline to Robert Mugabe”*; this can only be based on previous inaccurate media coverage as there is no foundation whatsoever to this allegation.
3. *“CAMEC broke sanction sanctions on Zimbabwean government entities and related individuals with its 2008 platinum deal in the country”*; again this seems to be a regurgitation of other inaccurate coverage. CAMEC certainly never broke sanctions and indeed sanction regimes only began to apply to Zimbabwe significantly later than the events to which you refer.

#### Edmonds and Groves in Africa

Mr Edmonds and Mr Groves are very proud of what they have achieved in business in Africa since 2001 and feel very privileged to have been involved in so many ventures which were designed to develop business and industry across the continent for the benefit of all stakeholders.

It may help you to be aware that a positive decision was taken by Mr Edmonds and Mr Groves at the turn of the millennium to focus their business strategy on Africa, having taken the informed view that natural resources, in particular, would become a prime focus of western investment and development. Given a number of factors, including:

- the dearth of investment and development in the continent since colonial times;
- the well-known, but undeveloped abundance of natural resources (including minerals and agriculture) in many African countries;
- the anticipated growth in demand for African natural resources, as a result of development within China;
- the likelihood of renewed first world interest in Africa in the next few decades; and
- the growth and increasing sophistication of the black African middle class,

Mr Edmonds and Mr Groves believed that numerous opportunities would be available for commercial investment over the following years. As experienced businessmen, they understood that it would be necessary to raise capital to implement their investment ideas and that investors would expect (and be entitled to) a return on their investment; the suggestion that monies were raised simply to later defraud the investors is nonsensical.

As a result of their strategic decision to focus on African opportunities, CAMEC was established with a modest capitalisation of £600,000 in 2001. Initially CAMEC was listed on OFEX but it subsequently

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developed and grew significantly under the stewardship of Mr Edmonds and Mr Groves into a diversified pan-African exploration company having moved its listing to the AIM Market of the London Stock Exchange. Eventually CAMEC was sold by its shareholders pursuant to a public takeover offer before the end of the decade for approximately US\$1bn. It should be noted that during the takeover process, a complete, extensive and detailed legal due diligence was undertaken by a team from the leading law firm, Herbert Smith. During its growth and development, CAMEC made massive investments into Africa, in terms of exploration, development, logistics, salaries, such that at the time of its sale, its asset base included:

- the development in the DRC of one of the biggest cobalt concentrate producers in the world, and the development of a copper cathode plant, together employing over 4,000 people;
- exploration of significant coal concessions in Mozambique and platinum interests in Zimbabwe;
- investment into substantial bauxite positions in Mali and fluorspar deposits in South Africa; and
- a fleet of approximately 500 trucks (within the SABOT division) which represented one of the largest road logistics operations in Southern Africa.

During the period of development of CAMEC, other unrelated opportunities were found including a platinum project in South Africa. This was floated on AIM as a separate vehicle raising £525,000 on its initial admission in 2002. Following considerable expenditure, development and work, Afplats (as the company was then known) was purchased by Impala Platinum for approximately US\$580 million, again pursuant to a public takeover process. By any measure this was a huge success as over a five-year period the share price increased from 1p to 55p (being the offer price paid by Impala Platinum).

Both of these commercial success stories provided significant returns to shareholders (including Mr Edmonds and Mr Groves together with numerous institutional and private shareholders) and should only be viewed as what they were – commercial ventures aimed to generate value for all concerned, with the additional, tangential social benefits associated with promoting and assisting in development in Africa.

During the past 15 years, a plethora of other opportunities have arisen which Mr Edmonds and Mr Groves believed would be attractive to and meet the requirements and expectations of investors with an appetite for emerging market projects; many of these have been referenced in your letters. On many occasions, these listings have been supported by family trusts in which neither Mr Edmonds and Mr Groves (and their immediate families) are beneficiaries, and which do not therefore fall within the definition of “related parties”.

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These family trusts have made investments into ventures which Mr Edmonds and Mr Groves were involved by way of direct cash share subscriptions, but also by way of parallel investments in complementary, unrelated local projects. For example, albeit ultimately unsuccessful, over US\$2 million were invested into an embryonic cocoa plantation project near the Wologisi Mountain in Lofa County, Liberia; from a local perspective, these steps were seen to demonstrate an overall commitment to the country and its economic development.

Similarly, in Maputo where AMI wished to develop a hospital but did not have the cash resources, non-related family trust entities were already in the process of acquiring a property for themselves as part of a larger strategy to participate in the increasingly attractive commercial/residential property sector in Central and Southern Africa. At AMI's request they agreed to hold the property for AMI until it was in a position to proceed to occupy and rent the property for hospital purposes.

Some eight or nine months after initial discussions AMI were in a position to proceed but, having taken commercial advice, now wished to own the property outright as the board of AMI had formed the view that it would be more beneficial for AMI's long term vision to own its property portfolio, rather than to rent.

Given the fact that the property market had risen very substantially, Mr Edmonds and Mr Groves advised that there should be an independent valuation obtained by Dr Solanki to support the purchase, which he agreed to deal with.

To help minimise AMI's cash outlay the family trusts agreed to a sale on the basis of a cash consideration equal to their original expenditure plus shares for the balance of the purchase price, such shares to be held until the hospital became profitable.

Noting the allegations made in your letters, it should be pointed out in respect of this transaction that:

- this transaction was efficient for AMI from a cashflow perspective and in the best interests of shareholders as a whole;
- the consideration shares remain held by the family trust to this day (and no value has therefore been achieved from them); and
- as late as July 2013, Mr Edmonds and Mr Groves were informed by Mr Botha (CEO of AMI) that AMI received an bona fide offer to purchase the property for US\$6.8m.

Of course, it is recognised and acknowledged that inevitably not every venture could be successful. On reflection, Mr Edmonds and Mr Groves have been able to identify the primary factors, aside from general commercial/operational risks, which have had an adverse impact upon their ventures, as follows (without limitation):

- Partners: In relation to AMI and aspects of Sable's early operations in Liberia and Guinea, despite best intentions, certain individuals (in these cases, Dr Vivek Solanki and Heine van Niekerk) appear to have acted in a manner which is inappropriate and reprehensible.

Various allegations are made in your correspondence regarding conduct in Liberia and Guinea in 2010 and 2011; if your allegations are correct, none of these actions were carried out with the knowledge or consent of the board. Instead Mr van Niekerk at that time was de facto COO for Sable in West Africa and together with his team, was establishing, managing and staffing the operation principally from the South African headquarters of his company, DMC (in which Sable had acquired a minority interest and had agreed to purchase the remainder, although this did not in fact happen). Certainly Sable provided funding for Liberian projects by sending monies into its lawyer's client account, however disbursements from that account were directed and controlled by Mr van Niekerk (and his team) who had the relationship with the lawyers.

Whilst this may be open to criticism, Sable, working in conjunction with advice from its auditors augmented internal procedures and controls early in 2011. Furthermore, all directors received anti-bribery training in 2011, following the entry into force of the UK Bribery Act in July 2011. To this day, Mr Edmonds and Mr Groves are committed to ensuring that all their business is conducted in a responsible and ethical manner and that any breaches in the company's anti-bribery policies and procedures will result in disciplinary action.

As referred to above, the credibility of both Mr van Niekerk and Dr Solanki, has now been shown to be highly questionable.

- Political instability: During the negotiations which led to White Nile obtaining an interest in its South Sudanese oil block, Mr Edmonds and Mr Groves principally dealt with representatives the Civil Authority for the New Sudan (which subsequently became the Government of Southern Sudan) including Riek Machar and John Garang. This followed an introduction by Dr Costello Garang who had been introduced to Mr Edmonds and Mr Groves by the late Gottfried von Bismark.

As you will be aware, Mr Garang later became the President of the Government of Southern Sudan and shortly after the White Nile transaction was completed, Mr Garang was killed in a helicopter

crash. Various political changes then took place in the country, including Mr Salva Kiir taking the role vacated on Mr Garang's death. Unfortunately from White Nile's perspective, Mr Kiir was less visionary than Mr John Garang as regards the possibility of White Nile becoming, in due time, the de facto state owned oil company of South Sudan. Mr Kiir was therefore less supportive of White Nile's development efforts and more welcoming to more conventional, private exploitation of the South Sudanese mineral resources. This changing political landscape contributed to the eventual (and unlawful) exclusion of White Nile from its concession area in 2007; in 2015, White Nile (by then renamed Agriterria) received significant compensation from the South Sudanese in respect of this exclusion.

In addition, as has been disclosed in annual reports and statements to shareholders, the ongoing civil/military disruptions in Mozambique have periodically impacted upon the ability of the company to operate its business in country, through land occupations and travel restrictions. As you will no doubt be aware, the political situation in Mozambique is currently under significant strain. From October 2013 there has been an increase in militant action by the opposition Renamo, attempting to obtain a transfer of additional political powers. Attempts by the ruling (and democratically elected) Frelimo to resolve these tensions diplomatically now appear to have failed. Since January 2016 the situation on the ground has deteriorated significantly and it now seems inevitable that further conflict will follow, in particular in the traditional rural Renamo stronghold areas of Zambezia, Manica and Tete.

- Macro-economic factors: Any business which is directly or indirectly connected to raw commodities will be affected by market changes in the commodity sectors. It has been seen that falling commodity prices will have a deleterious effect on asset valuations for exploration and development companies. This has been experienced by Sable in the context of its Mount Nimba iron ore project, which through significant development and investment by Sable has been proven to be a world class asset, with a current JORC Reserve of 53.96Mt at a grade of 61.6% iron, a mineral resource of 205.2Mt at an in-situ grade of 57.8% iron, making it the second largest on- or near-rail DSO deposit held outside of the majors in West Africa. Despite the fantastic quality of the asset, the collapse in the iron ore price has affected its value.

In addition, the credit-crunches which have hit the world financial markets in recent years have also made it much more difficult to raise capital for emerging markets projects.

- Emerging market issues: The well-publicised Ebola crisis which started in West Africa in 2014 caused significant disruption and hardship throughout Guinea, Liberia and Sierra Leone. In

addition to the human impact, the crisis has caused widespread investor panic, which has seen investment appetite (and therefore the ability for companies to deploy capital) wane significantly, despite which Agriterra remained one of the few foreign companies to operate in the country throughout the period, providing support services to international aid organisations, including the World Food Programme, World Health Organisation and the Red Cross. Although the crisis has now largely passed, investment sentiment remains poor and it will require the likes of CDC, DIFID etc to carry projects forwards in the immediate term.

In many African jurisdictions there exist risks around the effectiveness of legal redress and the unpredictable exercise of governmental power/authorities create uncertainty and increase exposure to unexpected/unpredictable actions being taken. On a number of occasions, Mr Edmonds and Mr Groves have had negative experiences in this context, particularly in lower level local courts, where the authorities appear to be either incompetent or susceptible to outside influence.

By way of example, Dr Solanki, despite being accused of criminal fraud in both Zimbabwe and South Africa, being shown by independent forensic auditors to have stolen monies from AMI and being subject to medical malpractice proceedings, somehow managed to unlawfully seize control of the AMI hospital in Zimbabwe (in which AMI had invested approximately US\$10m of shareholder funds). AMI was then involved in multi-year legal proceedings instigated by Dr Solanki, proceedings which were without substance and should never have passed the lower courts, until a ruling was, eventually, made in favour of AMI by the Supreme Court. As a result, operations at the Zimbabwe hospital were never optimised to the detriment of the local population and AMI's shareholders, whose investment in the company was wiped out.

To reiterate, despite the difficulties which have been faced and the many lessons which have been learned, in addition to CAMEC and Afplats which are discussed above, Mr Edmonds and Mr Groves are very proud to have had the vision to conceptualise and implement (to varying degrees) a significant number of important projects, including:

- the creation of publicly listed oil company, effectively controlled by the government of South Sudan, to enable the nascent country to maximise value for its entire population in the international markets;
- a pan-African, western standard, private healthcare business (comprising boutique hospitals, well-woman and well-man clinics and emergency medical air support);



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- a 40,000 hectare bio-ethanol project in the Massingir region of Mozambique adjacent to the Massingir dam;
  - establishing out-grower schemes in Mozambique (supporting 250,000 local families) to enable local subsistence farmers to realise value from their grain smallholdings and gain access to hard currency;
  - promotion of food security through grain milling operations and vertically integrated beef division in Mozambique (encompassing ranching, local livestock purchasing, feedlots, abattoir and retail units);
  - developing plans to establish a vertically integrated cocoa plantation, trading and processing operation with an integrated out-grower training scheme, in Sierra Leone;
  - following the re-purposing of White Nile into Agriterra, having determined that it would not be possible to finance development of its legacy oil assets as it focussed on developing its agriculture portfolio, the board ensured that significant value was preserved by the sale of Agriterra's interest in the South Omo oil block in Ethiopia for US\$40m to Marathon Oil. A particular source of pride is the fact that in contrast to the approach of many in emerging markets, Agriterra willingly paid, up front, the associated tax of US\$12m to the Ethiopian tax authorities; and
  - the historic inter-governmental co-operation between Guinea and Liberia, which would enable Guinean mining products to be exported via Liberia, using Liberian infrastructure.

Throughout the period of their involvement in African businesses, it has become clear to Mr Edmonds and Mr Groves that in order to contemplate investing into a project on the continent it is necessary to have a high appetite for and tolerance of risk; this has been the profile of investors throughout (and indeed Mr Edmonds and Mr Groves have been supported time and time again by a variety of blue chip investors, in various different ventures). Even with this level of risk appetite, aside from those major companies with unlimited capital, the process of building businesses in Africa, from inception, is only for the very brave.

### Social Development

As native Africans, the associated social benefits which would arise as a direct consequence of successful implementation of projects is a key motivator for Mr Edmonds and Mr Groves and should not be underestimated. As mentioned previously, family trusts in which Mr Edmonds and Mr Groves had no interest have made direct and parallel investments into Africa.

The Edmonds family in particular has historically been involved with promoting civil rights and charitable causes in Zambia and Mr Edmonds has continued this pattern. With a genuine link to and affinity for the continent and Zambia in particular, Mr Edmonds wants to see sustainable, non-corrupt development within the society. £2.5m of the proceeds of the sale of his interests in CAMEC, went into his existing charitable trust which has been the major source of funding for the construction and development of the Chibolya school in Mazabuka, Zambia. Working with Build It International and Zambian Orphans Aid UK (chaired by Lord Andrew Turnbull, a passionate Zambia-phile), the charitable trust has constructed, from scratch, a school with facilities which will accommodate up to 450 children on a daily basis; there are currently 250 children attending on a daily basis and full capacity will be achieved in due course, on an organic basis as the current students move up through the classes. The charitable trust has also committed to providing funding to pay the wages of the school's teachers, for a further 3 years at least.

#### Agriterra Limited

Mr Edmonds has today stepped down from his position as Chairman of Agriterra Limited. In order to pre-empt any allegations which you may make regarding this decision and the reasons behind it or any inferences you may decide to draw, we take this opportunity to clearly explain to you the reasoning for this decision.

At the time of Mr Edmonds' resignation from Sable in October 2014, Mr Edmonds wrote to Mr Cochrane (Chairman of Sable) with the following explanation (the full letter is extracted in Schedule 1 to this letter):

*"As you may be aware I suffered a significant health scare a short while ago. Whilst the problem was seemingly resolved and eradicated by surgery the situation requires constant monitoring. Inevitably, the episode crystallises one's thinking, which has been further focussed by the fact that [REDACTED] developed serious health issues himself, which have also required surgery."*

*"In addition to the health issues one has grown somewhat weary of being an easy target for journalists who need a "marketing peg", no matter how abstruse, on which to hang what might be perceived as controversial articles but which would not see the light of day without the cricketing angle."*

Even after the Sunday Times were compelled to apologise for an article which referred to Mr Edmonds in a typically disparaging manner (extracted in Schedule 2 to this letter) he now has to, yet again, deal with this negative attention, further reinforcing this weariness and compelling him to re-assess his priorities. Following great reflection and with sadness he has decided that he is no longer willing to

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put himself in the public eye and expose himself, his family and his reputation to the whims of parties whose motivation appears to be to find controversy where none exists, who make allegations based on questionable sources and whose conclusions appear to be pre-determined, simply because of the profile he achieved as a successful cricketer many years ago. Over time a toll has been taken by this constant disparagement by 3<sup>rd</sup> parties of genuine efforts to generate shareholder and social value, which is now further exacerbated by allegations of involvement in intimidation which Mr Edmonds would never countenance. Mr Edmonds is no longer prepared to tolerate this.

### Conclusion

In addition to learning from experience, in order to be successful it is necessary to have both determination and good fortune. Africa has been, is and will continue to be a difficult place to do business and whilst scrutiny is to be expected, the perpetual denigration of honest efforts and attempts to build real, lasting, and productive businesses is exasperating and certainly disappointing.

We wish to conclude by making it very clear that Mr Edmonds and Mr Groves are satisfied that they have always acted in accordance with their fiduciary duties, they have always adhered to those rules which are applicable and have always sought to promote shareholder value. As proud Africans they have taken great pleasure in seeing their efforts produce tangible impacts in various countries through the construction of infrastructure, establishment of logistics and employment of local staff who may otherwise have faced unemployment. It has been a particular pleasure to watch the development of indigenous entrepreneurship to the benefit of local economies following the investments they have made, whether into infrastructure, logistics, direct employment, the guaranteeing of local markets or through an indirect trickle-down into businesses providing supporting services.

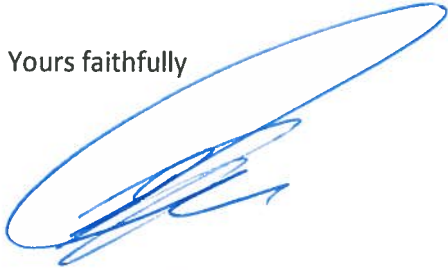
It would be naive to believe that Global Witness is motivated solely by their stated altruistic aims and that it is not in reality motivated by other factors. We are left with a strong sense from your correspondence and publications that the underlying intents and purposes of your reports are to increase your own profile so as to ensure ongoing "relevance" and viability and to create an atmosphere which, in effect, stifles the conditions which would otherwise enable economic growth and social development through local entrepreneurship and growth through free markets, thereby maintaining and perpetuating an almost neo-colonialist attitude and NGO supported culture of reliance upon international aid. By contrast, many more progressive thinkers, including Zambian economist and author Dambisa Moyo, now promote the thesis that "trade and not aid" is the only the

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sustainable way that African economies can develop; Mr Edmonds and Mr Groves wholeheartedly agree with this in concept and in practice.

In the interests of balance we request that in the event you proceed to publish your report that you also publish the entirety of this response.

Yours faithfully




**ANDREW GROVES**



**PHIL EDMONDS**

## SCHEDULE 1



 Commerce House  
 Williams Cay 1  
 PO Box 3150, Road Town  
 Tortola, British Virgin Islands

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3 October 2014

Dear Jim,

As you may be aware I suffered a significant health scare a short while ago. Whilst the problem was seemingly resolved and eradicated by surgery the situation requires constant monitoring. Inevitably, the episode crystallises one's thinking, which has been further focussed by the fact that [REDACTED] developed serious health issues himself, which have also required surgery.

In addition to the health issues one has grown somewhat weary of being an easy target for journalists who need a "marketing peg", no matter how abstruse, on which to hang what might be perceived as controversial articles but which would not see the light of day without the cricketing angle.

I have therefore decided to take a more of a back seat on various of our ventures, including stepping off the Boards of both AOL and Sable Mining.

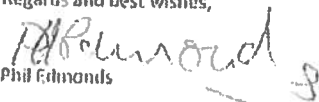
You will know I have already relinquished my role as Chairman in AOL and I would like you to take this as formal notice of my resignation as a director of Sable Mining with immediate effect.

Given that I continue to be a significant shareholder I remain fully supportive of the Board's efforts and will be happy to provide whatever input I can, on a consultancy basis, that may be of assistance in crystallising shareholder value going forwards.

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London 3497920.3 British Virgin Islands registration number: 1403067

I assume that my standing down is a notifiable event and therefore I would request prior approval of the RNS announcement.

Regards and best wishes,  
  
 Phil Edmonds

## SCHEDULE 2

**Client:** Sable Mining  
**Source:** The Sunday Times (Business)  
**Date:** 14 December 2014  
**Page:** 2  
**Reach:** 812262  
**Size:** 63cm2  
**Value:** 3064.32

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**BUSINESS DIGEST****Government of Guinea**

In an article about mining interests in Guinea ("How Edmonds spun his way into Guinea", November 18), we referred to emails and talks between Andrew Groves, chief executive of Sable Mining Africa Limited, and Alpha Condé, then a presidential candidate, concerning the company's interest in a mining concession. The communications were not with Condé but with his son, Alpha Mohamed Condé. There was no evidence that Alpha Condé had relied on Aboubacar Sampil, a local businessman, during his presidential campaign. We apologise for the errors. We are also happy to clarify that mining rights secured by Sable Mining resulted not only from a bilateral accord between Liberia and Guinea but pursuant to an infrastructure development plan linked to the mining sector which was developed with the input of the World Bank.

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