



## Bell-wether

ANDREW Bell at the age of 53 (and while chairman of three AIM-listed exploration companies) is studying for a degree in geology via the UK's Open University, where students can study at their own pace and in their own time.

Although he can hold his own in discussions with geologists "sometimes", Mr Bell says there are gaps in his knowledge. So completing the degree will make him "more rounded".

It's not the first time he has broadened his insight in this way. He developed an understanding of corporate law while advising companies and helping them do deals. So he rounded that off in 2000 by gaining his law degree (an LLB) via spare-time study at the University of London.

Consequently, when Regency Mines plc, one of the companies he chairs, listed on London's AIM in February 2005, Mr Bell drew up the admission document himself. Regency raised a modest £400,000 and he was able to keep the cost of its AIM admission down to £60,000 – "no one else has got close to that," he suggests.

He is able to take this workload in his stride because he remains full of energy (one analyst describes him as "tireless") after a 32-year career, which he started as an oil and mining analyst at Morgan Grenfell investment bank.

Mr Bell has been involved in the cyclical mining-exploration business long enough to experience both the highs and the lows. At present, although much of the industry is down in the dumps, he is definitely on a high.

For Red Rock Resources (RRR), spun out of Regency and listed on AIM in July 2005, is about to experience what Mr Bell describes as "a transformative event". Early last year RRR teamed up with Pallinghurst Resources LLP with the idea of creating a "steel feed corporation" – a mining company

Jupiter Mines' Central Yilgarn Iron Project area  
Source: www.palmining.com



that would supply the steel industry with its raw materials, such as iron ore, manganese and nickel.

The partners have chosen ASX-listed Jupiter Mines Ltd to be the listed vehicle through which they hope to develop manganese in the Pilbara as well as new iron-ore mines in Western Australia's Central Yilgarn region – "the future for iron ore," says Mr Bell.

To start the ball rolling, RRR is about to swap iron ore and manganese assets plus some shares in neighbouring tenement-holder Mindax Ltd for shares in Jupiter. Pallinghurst will pay cash for Jupiter shares and the partners will end up with 55.5% of Jupiter – 27.75% each.

Giving a broad hint that more deals will come, Pallinghurst says it has initially allocated a further US\$50 million "to advancing the consolidation, exploration and mining activities in the Yilgarn region, subject to Pallinghurst's investment criteria". Jupiter also will be given a chance to participate in future Pallinghurst resource projects in Australia.

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*Andrew Bell*

However, all this depends on a majority of Jupiter shareholders voting in favour of the deals with RRR and Pallinghurst at a special meeting on March 9. Mr Bell is confident the vote will be positive for RRR – even though an independent evaluation of the terms by Lonergan, Edwards and Associates concluded the terms were not fair and reasonable for Jupiter.

But the RRR-Pallinghurst proposals have the support of Jupiter's independent directors, and, he says, other big shareholders. (RRR and Pallinghurst are deemed to be acting in concert and will not be able to vote their present shareholdings in Jupiter – over 8% and 10%, respectively.)

Mr Bell insists: "This is a good deal for Jupiter shareholders, particularly in these [depressed] markets. The Jupiter board realise that there are many junior companies out there trying to raise money at present. To get the backing of a group with the financial strength of Pallinghurst will put Jupiter in a position of benefiting from the downturn [by possibly picking up assets from distressed companies]."

For those who need their memories jogged, Pallinghurst is the investment vehicle headed by Brian Gilbertson, one of mining's best-known executives and, among other things, a former chief executive of BHP Billiton.

Pallinghurst describes itself as "a specialist vehicle which pursues strategic investments and partnerships in the natural resources sector". It is backed by a private US company American Metals & Coal Inc, the South African bank Investec Ltd, US-based private-equity fund NGP Midstream and



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Resources, and Pohang Iron and Steel Co (Posco) of Korea. Each has given, or has promised to give, Pallinghurst US\$250 million, so it has a pot of at least US\$1 billion with which to work.

The Jupiter initiative is Pallinghurst's first in Australia since it lost a long drawn-out battle at the end

of 2007 for control of Consolidated Minerals Ltd, a manganese producer whose Woodie Woodie mine is not far away from RRR's Oakover project. Pallinghurst's A\$1.15 million cash offer for ConsMins was outbid by Palmery Enterprises, a company controlled by Ukrainian billionaire Gennadiy Bogolyubov.

Mr Bell says it was not long after Pallinghurst's ConsMins disappointment that it made a tentative inquiry about whether RRR might welcome an offer from Pallinghurst.

RRR liked the idea but Regency was not keen because it still owned 40% of RRR and "Regency shareholders were required to sell and would miss out on the upside potential". Also, at that time RRR was still hoping to do a partnership deal for its Yilgarn project with a Chinese group.

However, in 2008, after RRR had begun taking significant steps to build its position in the Yilgarn, it started talking to Pallinghurst again. A deal was quickly struck with Priyank Thapliyal, one of the partners in Pallinghurst, and Jupiter was approached.

Mr Bell was born in London and gained his MA in history at Oxford University in 1976. He joined the Morgan Grenfell investment bank as an oil and mining analyst and, as he had no experience of either industry, had to learn on the job. After the commodity markets peaked, in 1979 he pursued a long-standing interest in Asia by moving to Grieson Grant and Co and later Phillips & Drew, and then a private group as a Far East fund manager and adviser.

After managing some award-winning funds, Mr Bell became adviser to a Hong Kong financier and was in the Far East for seven years before family matters brought him back to the UK in 1999. While in Asia he had begun to realise the impact the economic growth in the region would have on the mineral sector and decided to become involved.

He set up a private investment company, BellMin Ltd, through which he holds his Regency shareholding and, indirectly, his interest in RRR. He became well known in London not only for listing those two companies on AIM, but also for helping Thor Mining plc, Churchill Mining plc and Ormonde Mining plc list there, as well as Greatland Gold plc (of which he remains non-executive chairman).

RRR sold all but one of its tenements in the Yilgarn to Jupiter to gain its first holding in that company – but kept back Mt Alfred, which Mr Bell considered to be the most prospective.

Mr Bell says: "We have plenty of ideas of how the new Jupiter, with over US\$50 million of funding available to it, can seize opportunities in today's depressed market place, and so does Pallinghurst. They have the financial backing and operational skills to make it come true. This is not the fifth act, not the third act, but only the end of the overture."