

## The musical deal maker

By Michael Quinn, [29 October 2007](#)



COVENTRY would have seemed a dreary world away to a 10-year-old boy after he moved to the “paradise” of northern Zambia with his family in the late 1960s.

Such was the early life path of Mark Stewart, the managing director of the Geoinformatics-associated and Australian-listed Clancy Exploration Ltd (and former Anglo American executive), and whose civil engineer father signed up for a three-year contract at Mufulira on the famous Copperbelt.

Zambia provided for “interesting” times – such as Congolese soldiers from the nearby border in the family’s backyard pinching vegetables – and Stewart loved it all. The family subsequently moved to Rhodesia in the early 1970s, where he completed his secondary schooling and began his musical and university life.

Stewart is a lawyer by education, a dealmaker by trade, and a musician by love.

Following Articles, a legal counsel role, tax education and a stint at Deloitte – plus the obligatory European travel – Stewart spent a decade or so in Anglo American’s new business development unit, initially travelling throughout Africa on the hunt for opportunities before moving to Singapore and later Perth to focus on Asia and the Pacific.

Stewart remembers having his “eyes opened very early in the piece” soon after he started at Anglo American watching his boss Alan McKerron dealing with the original principals of IAMGold in respect of the Sadiola project in Mali.

And he recalls facing challenging negotiations in Adelaide in the mid-90s with namesake Geoff Stewart at East African Gold Mines (EAGM) – the developer of the North Mara gold project in Tanzania that was subsequently acquired and mined by Placer Dome and then Barrick Gold Corp.

The younger Stewart described the dealings with the older Stewart at EAGM as tough – a description that would unlikely surprise anyone who has met Geoff – though there was a happy ending in store for all with Anglo American ending up with an equity stake, and Mark running off with Geoff's personal assistant Penny. (Geoff attended the wedding!).

According to Stewart, a particular gratifying part of the job with Anglo American in the African days was the involvement he had at a governmental level in various countries.

“One of the things I really liked about working (in new business development at Anglo American) was we got to get involved at a macro level,” he said. “Giving inputs to governments about changing their fiscal regimes and mining laws to make themselves more attractive. I was involved in that for a few places – Zambia, Angola and particularly Tanzania.

“We did Tanzania around 1994 and (the Tanzanian Government) really followed through with it and took up most of what we suggested. And they have gone from strength to strength, even during that period when there was a real downturn in the industry.

“Going back to Dar es Salaam (a few years ago), I hardly recognised it. It had changed so much.”

Stewart's love of music goes back to his teenage years, and included five singles, an album (or “LP”), and radio and TV coverage in southern Africa. The band's name was Gutter, though Stewart, primarily a singer, says they actually played pop rather than the aggressive punk that the name in that era might have suggested. He still plays music with another member of Gutter, though the output these days is “more of a jazzy” style.

While music was his first love, family circumstances decided his more financially secure career path.

However, the varied background would undoubtedly have helped his subsequent career cutting deals at Anglo American, and later at Geoinformatics after he left the major in 2002 with the idea of resuming his legal career. The core business of the TSX-listed Geoinformatics is mineral targeting using three-dimensional computer visualisation, analysis and modelling.

Geoinformatics' forerunner Fractal Graphics came to fame early this century when it won the innovative Goldcorp challenge to find the next six million ounces at the Red Lake mine in Ontario.

While the publicity was of great benefit, the contrast between Fractal's \$US150,000 reward and Goldcorp's 6Moz was an obvious, and strong, commercial catalyst. Which is where Stewart came in. He spent the next few years travelling six months out of every year in North America as Geoinformatics did deals "left, right and centre" leveraging into exploration ventures.

Eventually tiring of the travel and preferring to stay in Perth rather than move to North America, Geoinformatics offered Stewart the role of MD at Clancy, which listed on the ASX in June with a portfolio of copper-gold targets in the Lachlan Fold Belt of New South Wales, and the Mount Read Volcanic Belt of Tasmania.

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Questioned on those that have influenced his career, Stewart cites Robert Townsend and Alan McKerron, both lawyers from his Anglo American days. Now retired from Anglo, Stewart said Townsend had great people skills while McKerron "knew everyone" (including one Robert Champion de Crespigny), and got deals done.

"I've also always enjoyed working with geologists strangely enough," Stewart said. "Geologists generally are very optimistic people, especially exploration geologists, they have to be, and I'm also like that so I guess maybe that's the connection." Being involved with the excitement that comes with discoveries such as Boyongan in the Philippines have not surprisingly proved highlights.

Asked what he brings to a new exploration company like Clancy, Stewart responds: "The way I view my role I suppose at Clancy, and in fact the way I viewed my role at Anglo, is as a facilitator. To get the hell out of the way of geologists and let them get on and do their job.

"There are some people who take a roadblock approach: if you want to get around me you're going to have to convince me that you can get round me and I'm going to make it really difficult for you to get round me. I take the opposite approach. I try and make their lives as easy as I can, take on as much as I can to free them up to do the role they're supposed to be doing."

And he has proved himself a skilled dealmaker should Clancy one day need it – though he is at pains to emphasise that the company's focus on its current projects is very strong.

"I suppose I've been good at finding a way to get the deal to be done so everyone is reasonably happy and (the deal) can be done. I find that quite intellectually stimulating and I enjoy the negotiating process."

What's the secret? "I don't know, empathy maybe. And I always believe there must be a way."

### ***A glance at Clancy***

***CLANCY Exploration has begun an aggressive six month drill exploration campaign testing 13 copper-gold targets in the Macquarie Arc of New South Wales' Lachlan Fold Belt.***

***At least 25,000m will be drilled, with the targets generated by Clancy using the innovative and proprietary method of probability-based targeting - the so-called Geoinformatics Process.***

***The immediate focus is Gobondery, incorporating diamond drilling at the Forest View and Allandale prospects where significant Induced Polarisation (IP) anomalies have been identified. How significant? Well, according to Clancy, "the geometry and tenor are on a par with the IP anomaly associated with the outer pyrite zone at Ridgeway", Newcrest's outstanding mine in the Cadia Valley.***

***Gobondery is one of three joint venture projects being managed by Clancy and funded by major Gold Fields - which can earn an 80% interest by spending up to \$A5 million over three years on these projects, which include Cowal East and Wellington North. Factors behind Clancy's focus on the Lachlan Fold Belt included the regions enduring mining history (+100 years) and continuing prospectivity, with the largest deposits only discovered relatively recently. The Ordovician porphyry copper-gold and related deposits of the Macquarie Arc have a gold endowment of more than 45Moz and growing, while ore 6Mt of contained copper have thus far being identified or mined.***

***Added attractions included "exceptional" data quality – regional geophysics, geology, geochemistry etc – and good ground availability in 2003 when pegging was undertaken.***

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## 60 seconds with Mark Stewart

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**HighGrade: Is uranium the solution to global warming or the most likely cause of the end of the world?**

**MS:** Certainly the answer to global warming. The more you delve into uranium and the power stations that have gone up in first world countries the more you realise that those power stations are operating very happily. There's a certain amount of scaremongering that goes with uranium.

**HG: Are you a fully paid up member of the 'stronger for longer' club, with India, Russia, Brazil to follow China?**

**MS:** By and large that is correct. There are things that can derail China. I must say I've always seen the Olympics as a watershed for some reason. There's a lot of euphoria that goes with that and there may be a bit of falling off after that.

**HG: Who are three people you'd be happy to be trapped down a mine with?**

**MS:** Well, a mining engineer would be one; probably a geologist would be second, and Billy Connolly to keep us all happy.

**HG: What's the best job for Generation Y?**

**MS:** It has got to be in something in the technology field.

**HG: Wallabies, England, Springboks?**

**MS:** Wallabies ... my wife would be proud of me.