



AUSTRALIAN SOLOMONS GOLD

Australian Solomons Gold Limited (“ASG”) is a mining and exploration company with a specific focus on the re-establishment of operations at the Gold Ridge Project, located on Guadalcanal in the Solomon Islands. ASG is currently in the financing phase ahead of redevelopment and refurbishment of Gold Ridge which is expected to reach a commercial production rate of up to 150,000 ounces of gold per annum commencing 1st quarter 2011.

- Near term production profile, more advanced compared with ‘greenfield’ developments.
- Highly prospective Mining Lease and surrounding Special Prospecting License.
- Fully permitted to enable redevelopment activities for commercial production upon completion of financing phase.

ASG’s vision and values incorporates an approach that protects their people, the environment, and ensures a safe workplace. With education and training they will develop a world class methodology for the elimination of hazards, PPE selection, inspections and reporting.

Like many mining companies, they’re in a region where community is important. Their stated position is to establish a partnership with the community through a process of mutual respect, by acting in accordance with their values.

“All CFO’s think they’re good at modelling, but these guys do it day in and day out. They actually run advanced modelling courses, keep up to date and they are good at modelling!”

Barry Casson, Chief Financial Officer,
Australian Solomons Gold Limited.

When there’s no time for DIY

Like all CFO’s Barry Casson considers himself a fairly competent modeller, but Barry of Australian Solomons Gold has “other fish to fry.” The distractions of trying to establish and maintain your own model can take you away from the real tasks. As Barry says, “I don’t have the time to do my own modelling, and likewise other staff are equally as busy on other activities; I just need a model that works and that I can trust.” Which is why ASG turned to a specialist modeller like Navigator. “They’d been recommended to us by our bankers at the time who knew their skills and trusted the outcomes.” This was clearly a vote of confidence in the Navigator team’s skills and as Barry further suggests, “We didn’t have the need for a full time specialist modeller in-house – yet we needed the skills an expert modeller can bring to the table.” In essence, Navigator is an entirely different proposition to asking an in-house CFO or analyst to build a model.

“Getting a specialist like Navigator on board added to our credibility. End users could see we were committed to robust figures.”

Barry Casson, Chief Financial Officer,
Australian Solomons Gold Limited.

Confidence

Today a greater percentage of Australian companies than ever before are playing on global stages. Capital raisings and debt financing are often syndicated affairs with myriad readers of complex financials. Financial models must stand up in any scenario. As Barry Casson says, “A company like Navigator has an outside view; they work for many clients and understand the



At a Glance

Client: Australian Solomons Gold

Industry: Mining and Metals

Geography: Brisbane, Solomon Islands

Challenges: Present debt financiers with flexible, robust and trustworthy financial models

Solution: Work with Navigator to provide a model sophisticated end users can have confidence in

Benefits: Trusted model that can run scenarios and provide flexible, well presented outcomes

differing needs of each potential audience. Their independence can give analysts and others an extra degree of confidence. And more importantly, their expertise gives you peace of mind in your own figures.”

Flexibility

The one truism in business is that your figures are never finished. Circumstances change. People change. Needs change. And your financial model must adapt to the new requirements. Australian Solomons Gold knows this more than most. CFO Barry Casson takes up the story, “We started with local banks that wanted the figures in a certain way. Then along came the global financial crisis and our world turned upside down. We have ended up with multi-lateral development bank financiers who had entirely different needs. The Navigator model was flexible enough to change according to those requirements over the two year fund-raising period.”

“They’re great to work with and they do what they do well.”
Barry Casson, Chief Financial Officer,
Australian Solomons Gold Limited.

Credibility is all

A third party modeller is often critical to the confidence an outside audience has in your figures. Generally, it’s only an independent modeller that can give you that confidence. In-house staff or banking analysts asked to build a model have other duties to attend to and sometimes focus is lost. “Everyone,” suggests Barry “wants to present a professional set of figures and Navigator helps you do that.” There’s often only one chance to impress – so your figures had better stand up. “Navigator gives you peace of mind. There are no worries about the integrity of your data,” adds Barry.

Add strength to the business case

Most lenders have many different ratios and monitoring requirements on the funding of large projects. “Because of the complexities in today’s capital markets with syndicated lenders and so forth, your model needs to handle highly specific interrogation from a variety of individuals. Getting the right answers relaxes bankers somewhat!” Trusting a financial model is difficult for many CFO’s. “It’s easy to be blinded by assumptions and perceived in-house experience, and sometimes you simply don’t question your original data or calculations enough,” says Barry Casson, “but when you hire Navigator you bring a professional project finance modelling solution onto your team not just a contracted financial modelling resource.”

Working with Navigator

ASG’s Barry Casson has worked with the Navigator team for over two years now. “They were genuinely interested in the success of the project which comes through in their work, communication and our ongoing relationship, I felt like a valued client.”

Of course the real proof is whether a company continues with a supplier on to other projects. Barry takes up the story. “ASG as a miner in the Solomon’s has a very specific issue. We were committed to dealing properly with all land owners surrounding the project and wanted a database system that would enable this without exception. It wasn’t quite financial modelling, but Navigator listened to our expectations, proposed the solutions and presented the tools to assist us in managing everyone’s expectations.”

“Would Australian Solomons Gold work with Navigator again? “Absolutely. 110%.”

About Navigator Project Finance

Founded in 2004, Navigator Project Finance Pty Ltd (Navigator) is the project finance modelling expert. Headquartered in Sydney, Australia, Navigator is raising the global benchmark in financial modelling services to the project finance sector. Navigator designs and constructs financial models for complex project financings, offers training courses throughout the Middle East, Asia and Europe, and conducts independent model reviews of project finance transaction models. Navigator delivers fast, flexible and rigorously-tested project finance services that provide unparalleled transparency and ease of use.

Customers include market leaders such as Deutsche Bank, ANZ Investment Bank, Lend Lease, Oxiana, Mirvac Property, Westpac and the Commonwealth Bank of Australia, together with leaders from the finance, mining, property, utilities, banking, chemical and infrastructure sectors.