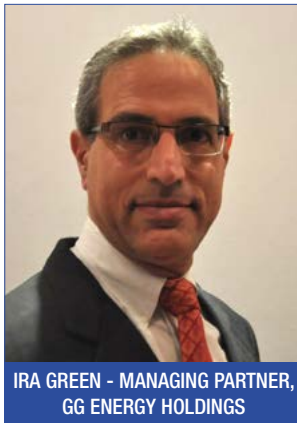




Q&A WITH GG ENERGY HOLDINGS



Ira Green, Managing Partner of GG Energy Holdings, discusses their stable power, stable pricing PPA solution for meeting the electricity needs of the mining sector. GGE Energy Holdings are exhibiting at the Renewables and Mining Summit, Johannesburg June 23-24



IRA GREEN - MANAGING PARTNER, GG ENERGY HOLDINGS

Energy and Mines: One of the critical questions for mines is how to finance renewable energy projects. Which banks or alternative sources of funding do you see playing a lead role?

IG: We come to the table with a history of financing over \$350M renewable energy projects around the globe. As we are already planning projects in this sector, we already have letters of intent on financing projects from commercial banks, DFIs (development finance institutions), and also structured finance from private equity funds. Although, at first these bankers were very quizzical about mining power deals, they soon realized you're actually replacing sovereign risk, in some cases with countries with very questionable ratings, with corporate risk based on balance sheets of very strong companies.

In the case of power projects with mines, the funders base their risk assessment on the specific commodity sector. They are effectively underwriting a sector risk and not just a power project.

EAM: What does a mining company need to do to tap into alternative sources of funding?

IG: A long-term vision for stable power and stable pricing demonstrated in an ability to sign a PPA with bankable guarantees both on the contract itself and on the revenues.

EAM: As a developer, how does your approach differ for off-grid and on-grid mine projects?

IG: I would almost say that we're agnostic whether the project is on- or off-grid. We look at this as a bespoke or customized solution to each individual situation. GG Energy offers a disruptive approach to providing stable power and stable pricing in both on and off-grid projects. Off-grid projects typically compete with costly liquid fuel alternatives having a shorter payback period and different pricing dynamics. On-grid projects have power stabilization and supply control issues for which GG Energy also offers customized solutions with effective and predictable pricing.

EAM: How do you see opportunities evolving in Africa? And how would you estimate the market potential for these projects?

IG: GG Energy sees a huge market potential for our stable power at stable pricing solutions for the mining industry.

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– Ira Green, Managing Partner, GG Energy Holdings



Quite often, there are grid stability or power interruption issues that need to be addressed. What's unique at GG Energy is that our engineering of the projects is such that we can address those issues as well as supplying power at a consistent price over a long period of time.

Power demand is growing across Africa with each country trying to electrify, adding more people to the grid. This puts pressure on large industrial consumers such as mines. From GG Energy's perspective, we can envision 20-30 large scale projects in Africa over the next five years –and probably many more.

EAM: What are some of the important questions you would like answered about this business segment in order for you to move forward?

IG: GG Energy is very active in this mining segment and each project is unique. We find that a close relationship with the mines provides a deep understanding of their long-term strategic goals and development needs. Working hand in hand with them facilitates the most effective power solutions – encompassing long-term supply and pricing stability.

“GG Energy sees a huge market potential for our stable power at stable pricing solutions for the mining industry”

– Ira Green, Managing Partner, GG Energy Holdings

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