

Legal Services
Natural Resources



Ogier

They gave us good quality advice and helped us to get a good outcome for the client.

International law firm

Contents

Who we are	3
Why go offshore?	4
Choice of location	5
Services for mining and natural resources and IPO / fund raising	6
Holding companies	8
Moving business operations	9
Contact us	10

Who we are

Our partner led team of first class lawyers is commercially minded and client-focused.



They were responsive, they met the timetable, they flagged issues to us and overall they worked as an integral part of the transaction. Leading London law firm

Personal, responsive and bespoke, Ogier's advice to international mining and other natural resource clients includes setting up both private holding structures and public listed vehicles.

We provide legal advice on BVI, Cayman, Guernsey, Jersey and Luxembourg law. We operate in eight jurisdictions in key financial centres and have a presence in the BVI, Cayman, Guernsey, Hong Kong, Jersey, Luxembourg, Shanghai and Tokyo.

Why go offshore?

Through our global network we assist clients to establish and use holding, operating and investment vehicles in the jurisdiction best suited to their objectives.



They were very responsive and very thorough, and they have a good deep bench. However, I think that above all their responsiveness really marked them out when compared with the competition.
Major investment adviser

Reasons for using an offshore company include:

- Zero corporation tax, no capital gains tax and no capital transfer tax (or structuring to permit equivalent effect in Luxembourg)
- No withholding tax on dividends, interest and royalties
- Corporate laws are based on the equivalent English law (other than Luxembourg), which is familiar to investors round the world, but benefit from additional business focused innovations and operational flexibility
- Politically stable jurisdictions with a global reputation as first class international financial centres and a proven track record of attracting investment from around the world
- Highly developed and trusted court systems based on English common law principles (other than Luxembourg)
- Although likely to be substantially compliant in standard form, the company's constitutional documents can be drafted to accommodate any specific requirements of the relevant listing rules
- The shares of Guernsey and Jersey companies can be traded directly through CREST in the UK. BVI and Cayman company shares are freely traded via depositary interests
- BVI, Cayman, Jersey, Guernsey and Luxembourg companies can each hold shares in treasury which can facilitate employee benefit schemes
- BVI, Cayman, Guernsey and Jersey companies have the ability to distribute from a wide range of sources not just distributable reserves. This may be an advantage over other companies seeking to maintain a consistent dividend policy, including Hong Kong public companies which need to have qualifying profits and satisfy additional capital maintenance requirements in order to make a distribution.

Choice of location

BVI, Cayman, Guernsey, Jersey and Luxembourg are mature, sophisticated international financial service centres.

They offer clients excellent professional infrastructures in economic and politically stable environments and are supportive of natural resources businesses.

Each of our jurisdictions, BVI, Cayman, Guernsey, Jersey and Luxembourg, offer:

- Economic and political stability
- Flexible, independently endorsed regulatory and legal framework
- Tax neutral location (or structuring to achieve equivalent effect in the case of Luxembourg)
- Mature, well respected legal system
- Track record of product and service innovation
- Skilled and responsive workforce
- Availability and choice of other service providers: administrators, auditors, bankers, custodians and asset managers

- Luxembourg is a qualifying centre of excellence for carbon investment vehicles
- Our Hong Kong office provides timely BVI, Cayman, Guernsey and Jersey advice in the Asian time zone
- Our Guernsey and Jersey offices provide BVI legal advice in the European time zone.

We work closely with service providers in Mauritius to provide an integrated Ogier led service for clients.



Ogier is the only offshore firm in the top 10 legal advisers to 2014 European IPOs Experian

Services for mining and natural resources clients



Ogier's funds team won the largest number of new fund mandates during 2014
Monterey Insight 2014

We have extensive experience assisting mining and natural resources clients to establish and utilise holding, operating and investment vehicles in the jurisdiction best suited to their current and future objectives.

We have assisted a number of high profile groups relocate from other countries to BVI, Cayman, Guernsey, Jersey and Luxembourg.

Our services include:

- Pre-IPO planning
- IPO / fund raising
- Cashbox structures
- Special purpose acquisition companies (SPACs)
- Redomiciliation
- Migration
- Mining and natural resources funds
- Private client and trust advice

IPO / fund raising

Ogier works with international law firms and advisers and listing companies on the Main List and AIM in London, as well as markets around the world including New York, Toronto, Moscow, Paris and Hong Kong.

We have also been involved in numerous fund raisings for resources companies and provide 'cashbox' structures for UK plcs raising funds in the secondary capital markets.

Jurisdictions such as the BVI, Cayman, Guernsey and Jersey are frequently chosen as the jurisdiction of domicile for Special Purpose Acquisition Companies (SPACs). A SPAC raises money through an IPO with the intention of identifying and acquiring a business within a specified period (usually a period of up to 24 months from the IPO).

SPACs provide investors with the opportunity of investing in private equity type transactions, while offering listed company transparency and disclosure as well as the liquidity benefits of the shares being freely tradable on the open market.

Ogier and X2

Ogier advised X2 on the launch of its new natural resources venture, X2 Resources Partners LP Inc., a Guernsey closed-ended investment vehicle.

Ogier was delighted to assist X2 in commencing this exciting new venture. This is a great example of the high profile business that Guernsey as a jurisdiction, and Ogier as a law firm, is capable of attracting from clients who are leading players in their field.

William Simpson,
Partner

X2 Resources was formed by the core executive team that built Xstrata into a US\$50 billion mining major from a US\$500 million debt-constrained company, led by former CEO Mick Davis and CFO Trevor Reid. Its objective is to build a new, mid-tier diversified mining and metals group.

X2 Resources has raised US\$2.5 billion of committed equity capital funding and up to a further US\$1.25 billion of conditional equity capital funding, from a group of five investors and is in talks with a further select group of potential investors who are also seeking to benefit from opportunities in the natural resources arena.

US\$2.5bn

of committed equity
capital funding

Holding companies

Companies in all our jurisdictions are regularly used as acquisition vehicles around the world and can hold any type of asset.



They are friendly, plain speaking, pragmatic individuals, and they were there when we needed them.

Leading mining investor

They are flexible and permit structuring to meet clients' needs and international banks are familiar and comfortable with lending to such companies.

Jersey, Guernsey, BVI, Cayman and Luxembourg have been the jurisdictions of choice for a number of high profile groups relocating from other countries over the last few years.

Redomiciling

The redomiciling process involves placing a new offshore company above the existing listed holding company, typically using a scheme of arrangement or similar in the current jurisdiction of incorporation. Shareholders of the existing company receive shares in the new company. For a listed company the shares of the new company are admitted to trading on the relevant exchange and the listing of the existing company is cancelled. Relocation may occur as part of a pre IPO or other structuring exercise for an unlisted company as well.

The company will not pay tax in BVI, Cayman, Guernsey or Jersey and there are no capital gains or stamp duty taxes on share transfers in any of these jurisdictions. Structuring in Luxembourg can be used to significantly mitigate local taxes down to zero or nearly zero.

Migration

It is also possible to migrate companies to and from each of BVI, Cayman, Guernsey, Jersey and Luxembourg without court approval. The relevant laws confirm that the company continues (with assets and liabilities intact) in the new jurisdiction. This can be a useful pre-IPO restructuring tool if it is preferred not to insert a new holding company.

Moving business operations to Jersey and Guernsey

It is increasingly important to demonstrate proper substance in the jurisdiction where management occurs.

We have assisted multiple natural resources companies with their relocations.

Jersey and Guernsey has welcomed many new businesses in recent years including mining and oil companies and fund managers, all of whom have been keen to take advantage of both the business friendly environment and the quality of lifestyle on offer.

Jersey and Guernsey have all the infrastructure and expertise most businesses require with office space both available and under construction. Back office functions - IT, banking, compliance and accounting - all readily available.

International businesses with a diverse geographical asset base and traditional London based companies are realising that for both business owners and management it makes sense to relocate to a more attractive tax neutral jurisdiction, particularly as a company is heading towards profitability. Jersey and Guernsey law does not prohibit foreign employees and owners from moving to and working in the islands or businesses setting up in Jersey or Guernsey.

We have helped the following companies relocate to Jersey:

- Randgold Resources
- Consolidated Minerals
- Centamin
- Strada Energy

Contact us

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Ogier provides practical advice on British Virgin Islands, Cayman Islands, Guernsey, Jersey and Luxembourg law through our global network of offices. Ours is the only firm to advise on these five laws. We regularly win awards for the quality of our client service, our work and our people. Regulatory information can be found at ogier.com