

# RED CRESCENT RESOURCES

[www.rcrholding.com.tr](http://www.rcrholding.com.tr)

CORPORATE BROCHURE



# The forgotten country

Turkey is something of an unknown and misunderstood place; but as Alan Swaby learns, there is at least one mining entrepreneur who has complete faith in its future



Considering the amount of exploration that's taken place in some of the most obscure corners of the world, it's something of a surprise that Turkey's mineral resources are so underdeveloped. At least it is to Alan Clegg, founder and CEO of Red Crescent Resources (RCR)—although he's not complaining too much, as it leaves the field wide open for RCR at the moment.

“  
Many thousands  
of man days  
have now been  
worked without  
serious accidents  
or incidents ”



Doing business in Barbados doesn't have to be a foreign experience.

All the values you are familiar with in your own country...



Barbados is a well-respected premier international financial center, providing access to an attractive network of tax treaties for tax planning purposes. Our Company offers a broad range of high-quality business and professional services to the international mining community, with an emphasis on understanding each investor's business objectives. We have extensive experience in managing all areas of cross-border investor activities, such as financing and investment-related commercial operations. Our existing clientele varies from overseas high net worth investors to private entities to publicly-listed corporations.

PLATINUM has the reputation for 'getting the job done right', the first time!

General Management | Finance and Corporate Governance | Directorship | Company Formations | Accounting Statutory Tax Returns | Corporate Secretarial | Preparation & Supervision of Client Audits | Related Business Services

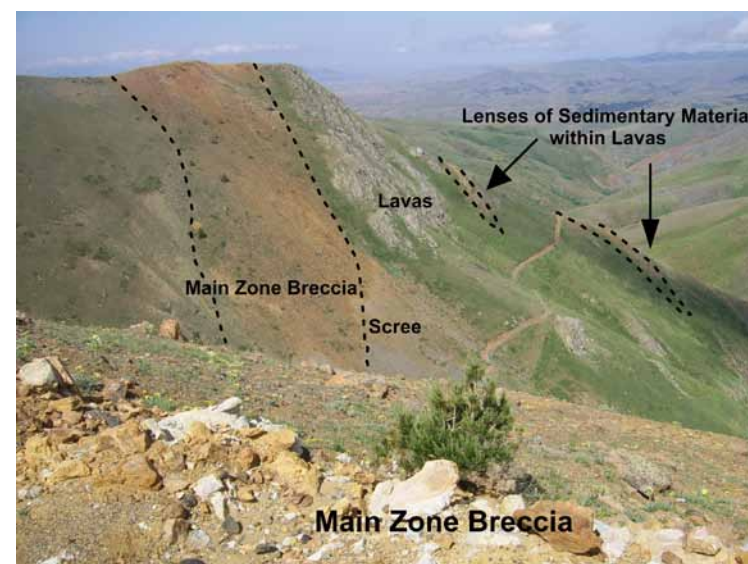
management@platinumoffshore.com • www.platinumoffshore.com



For information contact our management team:

Platinum Offshore Management Services, Inc. 'Braemar Court', Suite 200 Deighton Road, St. Michael BB14017 Barbados, West Indies

246 437 6092/3  
246 436 2120



### Platinum Offshore Management Services, Inc

Barbados' reputation as an international financial centre and a jurisdiction of choice is proven. Its expanding tax treaty network and regulatory framework combined with functional infrastructure makes Barbados the ideal platform for investment in international mining or other commercial activities. Platinum Offshore Management Services, Inc. with its team of professionals qualified and experienced in international business, provides management oversight, directors, accounting and corporate services to local subsidiaries. Our proven track record for executing investors' tax planning has led to the recognition of Platinum as a premier corporate services provider by the financial intermediaries in Barbados' source markets.

Platinum's association with valued clients like Alan Clegg of RCRB is testimony to our achievement of global competitiveness and business growth on behalf of our diverse clientele.

"There's iron ore," he explains, "that feeds a domestic iron and steel industry, coal and several other base metals that are mined—but often in something of an amateurish way in a fragmented industry. Very little has been done in recent times and with modern technology to survey the country's resources since the Russians had a look around half a century ago, pre-second world war. The traditional process among the informal sector in Turkey has been to dig a hole until it falls in and then start again elsewhere, with little or no applied engineering or even primitive technology being evident."

Clegg and RCR are on a mission to amend all that—or at least get the Turkish State thinking about a more professional and internationally attractive way of structuring the mining business for the overall benefit of the country and its inhabitants. His connection with Turkey goes back to 2004 when he

## A DYNAMIC MINERALS PROCESSING & MOBILE PLANT COMPANY

Situated in Kerksdorp, South Africa, **Dynamic Machinery** has over 20 years experience in the design, construction and supply of mineral processing plants and metallurgical equipment.

We have supplied processing equipment including portable and compact recovery plants to mining \ and metallurgical operations over all of Africa as well as to other parts of the world, with considerable success and ease of operation.



Once on site, our plants require only connections to water and power and can then be switched on immediately for mineral and ore upgrading and production. (They also have 160KW built in **power generators**.)

Our most recent supply was two modern technology mobile DMS and spiral plants supplied to **Red Crescent Resources** and **Afrasia** for their Zinc and copper projects in **Turkey**, but our project range and capabilities includes the following -

Mobile plants and equipment for quick and efficient resources / upgrading of - Gold, Diamonds, Andalusite, Coal and Coal briquetting, Manganese, Chrome, Iron ore, Wollastonite, Rubies, Precious stones, Limestone, Crushing plants, Zinc, Copper Cobalt, X-ray and optical Recovery Plants

- We are a **one-stop** enterprise where we construct Jaw, Cone and Impact Crushers, Screens, Feeders, Conveyors etc.

- We design and build MCC's, 25 to 1000KVA generator sets, variable speed controllers, and general control systems.

- Dynamic machinery also does plant and equipment **deliveries, installations, commissioning and training** on site and can also supply all necessary **spares** for the equipment supplied.

- At our factory, we have **complete pilot testing plants** and can conduct **XRF analysis** of ores, minerals products etc. We supply high quality **engineering drawings**, and **manuals** and **general arrangements** of our plants.



began investigating mineral deposit development potential there for the business development for consulting engineering appointments on behalf of the South African engineering consulting group TWP (Townshend Van Der Walt & Partners).

“Our plan was to go public,” says Clegg, “and considered that looking beyond the core market in South Africa would be beneficial to sustain post listing growth in new markets. I identified Turkey as an excellent prospect and TWP set up an operation there in 2006. In the end, TWP decided to remain focused on the domestic market but I remained committed to the original vision and made an MBO through which Afrasia Mining and Energy Consulting [AME] was born in 2008.”

Historically, Clegg’s background had been in mining operations management, mining technology and equipment development and executive mining

business management, consulting and engineering—in other words, helping dozens of other mining companies develop and exploit the minerals they had rights for on a global basis. But it didn’t take long for the realisation that here was the ideal opportunity to become mine owner as well as engineer. In the same year, Clegg formed a Turkish business, Red Crescent Resources (RCR), with the initial aim of developing high-grade zinc oxide deposits at Hakkari, in south-east Turkey, close to the borders of Iran and Iraq.

“On the basis of the joint venture agreement we have with the landowners at Hakkari, RCR was floated on the Toronto stock exchange less than a year ago. We raised CAD\$5.9 million to supplement the cash and sweat equity I and my fellow directors had invested.

“  
Very little has  
been done in  
recent times and  
with modern  
technology  
to survey the  
country's resources  
since the Russians  
had a look around  
half a century ago  
”

This gave us much of the working capital needed until the first cash flow begins, which will be towards the end of this year.”

Not bad going for the first venture and in less than 300 days since the business was floated. But rather than just selling run of mine ore at around +25 per cent zinc, RCR has plans to add value—first by pre-concentrating an ore blend feed of around 13 to 15 per cent zinc, using gravity methods, to a 30 to 38 per cent concentrate and then potentially through further refinement using methods to be defined within a pre-feasibility to be started later in the year, ultimately taking the ore to LME (London Metal Exchange) grade: 99.99 per cent within a planned central refinery hub facility in southern Turkey.

But Clegg and his managers quickly agreed that having all their eggs in one basket—particularly so close to potential neighbouring hotspots—was probably not the most prudent of strategies. So, to go with Hakkari, RCR now has two additional mining sites: yet more zinc and lead at Tufanbeyli in Adana the southern province of central Turkey and copper at Sivas, 400 kilometres to the north-east of Tufanbeyli.

The NI43-101 technical report and initial mineral resource statement has just been lodged for Tufanbeyli which Clegg describes as “offering a good code-compliant basis for the project to continue as planned.” Sivas is still in the logging stage, with 5,000 metres of core samples still to be taken this year and another 25,000 metres planned for next year; but Clegg considers it could potentially be a world class operation.

In the meantime, Clegg is working hard to put something back into the Turkish nation. He's now married to a local medical professor and specialist doctor who has given up her career in anaesthetics to contribute a major role as executive assistant, stakeholder manager and cultural interpreter for the

business. There's an odd mix of attitudes prevalent in Turkey which have to be addressed if serious outside investors are to be attracted. Clegg is advising the government informally on a range of mining matters and was part of the consultation process leading to a recent set of modernised mining regulations.

Although the population is literate, enthusiastic and hardworking, as a Muslim nation there is still the underlying notion at the unskilled level, particularly in the east of Turkey, that whatever happens is in the hands of God—not an idea that sits comfortably with a Western insistence of working safety and health standards and norms and protocols such as the Equator Principles ([www.equatorprinciples.com](http://www.equatorprinciples.com)).

“When we issued workers with their protective clothing,” Clegg recalls, “we were staggered to find them arrive at work the next day in their ordinary clothes. The yellow reflective vests, hard hats and reinforced boots had gone into the display cabinet at home and had to be replaced with a second, ‘functional’ set. Nevertheless, the message is getting through and many thousands of man days have now been worked without serious accidents or incidents.”

And while there is tremendous support for the mining projects, the locals don't fully appreciate the procedures and protocols that have to be followed before investors can be persuaded to put money into a venture. As such, the Cleggs spend almost as much of their time educating stakeholders at every level on how it has to be as they do on developing the business.

Ironically, there is just as much education needed at the investor end of the spectrum



with the far-away US and Canada having some very odd and outdated views on what constitutes a modern Turkey. It comes as something as a surprise, for example, to learn that Turkey has the sixteenth largest economy in the world and the sixth in Europe. It is a very important geopolitically stable country that has managed to maintain a secular democratic republic for 100 years, and create the fastest growing economy in the OECD in the process. But it's an economy that is over-reliant on imported energy and materials—something that Clegg is determined to help re-address. [www.rcrholding.com.tr](http://www.rcrholding.com.tr) ■



ACHIEVING **Businessexcellence**  
ONLINE



Bringing you the **REAL-LIFE** STORIES  
of world class companies  
from across the globe

**REGISTER FREE**  
to receive exclusive content

[www.bus-ex.com](http://www.bus-ex.com)

link investment and consulting LLP

Link's strategy is to remain a diversified company, assisting miners and investors in structuring custom made solutions in the global markets and to develop various projects around the world, with Link's ability and long experience to enhance our support to miners and investors going forward in projects.



tel: +44 207 849 97 90  
[info@linkiac.com](mailto:info@linkiac.com)

# RED CRESCENT RESOURCES

[www.rcrholding.com.tr](http://www.rcrholding.com.tr)