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GLENCORE AND THE GATEKEEPER

HOW THE WORLD'S LARGEST COMMODITIES TRADER MADE A FRIEND OF CONGO'S PRESIDENT $67 MILLION RICHER

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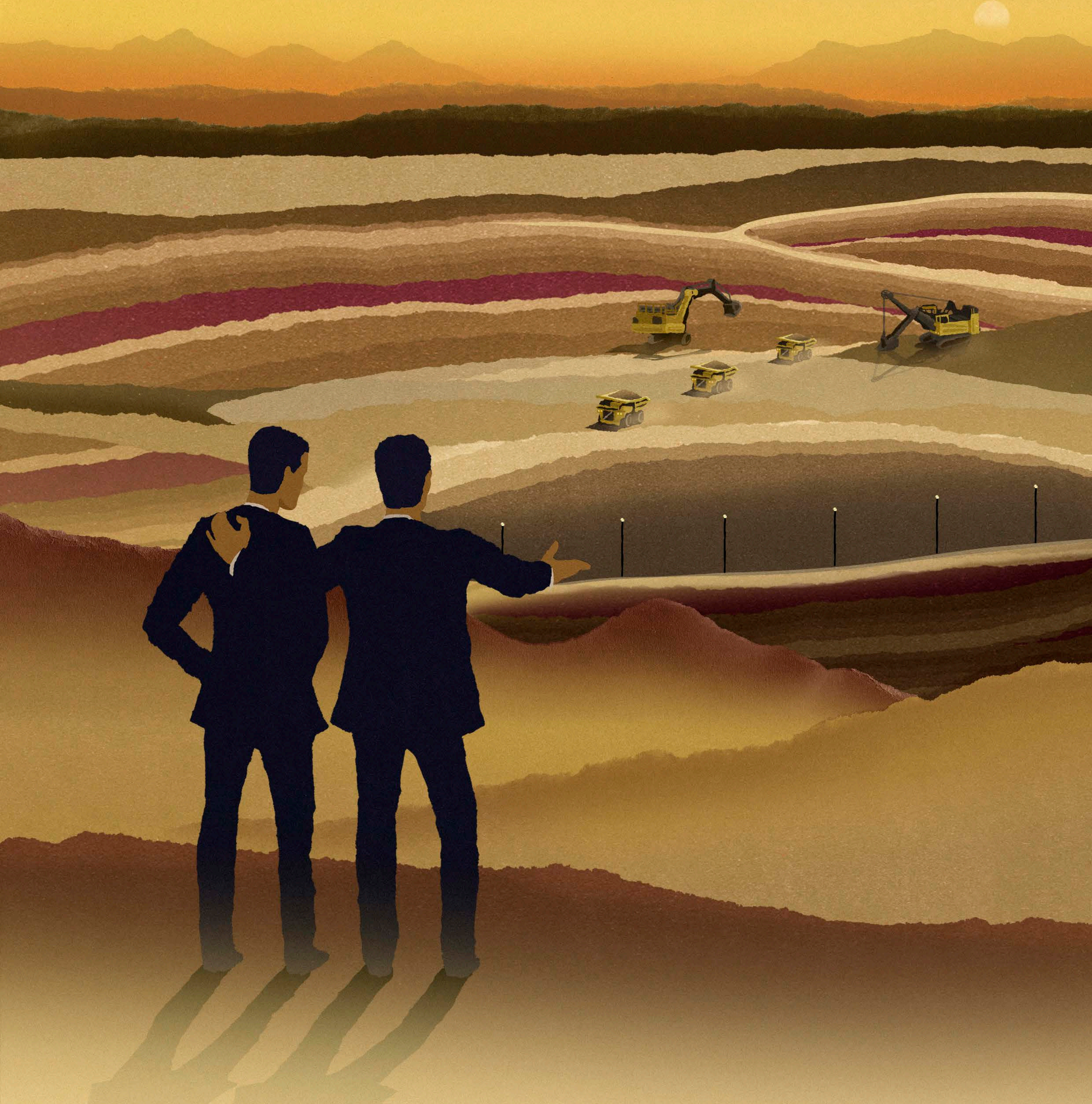

ABOUT GLOBAL WITNESS

Global Witness is a London-based non-governmental organisation that investigates the links between natural resources, conflict and corruption, and associated environmental and human rights abuses. We aim to promote improved governance, transparency and accountability in the management of the natural resource sector to ensure that revenues from resources are used for peaceful and sustainable development rather than to finance or fuel conflicts, corruption or state-looting. We work across Asia, Africa and South America, investigating the activities of European, North American, Asian and African companies and governments, and the role of the international financial system.

Historically, our investigations, publications and engagement with policy makers have been a key catalyst in the creation of the Kimberley Process, to tackle the trade in conflict diamonds, and the Extractive Industries Transparency Initiative, to encourage transparency over payments and receipts for natural resource revenues. Global Witness was awarded the 2014 TED Prize (awarded to Charmian Gooch) and the 2014 Skoll Award for Social Entrepreneurship.

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HOW THE WORLD'S LARGEST COMMODITIES TRADER MADE A FRIEND OF CONGO'S PRESIDENT $67 MILLION RICHER

Glencore, the world's largest commodities trader, enriched a friend of the Democratic Republic of Congo's president by tens of millions of dollars and structured deals to protect his interests as it gained control of one of Africa's biggest copper miners, new research by Global Witness reveals.

The company—now Glencore-Xstrata—made secret loans to Dan Gertler and knowingly entered loss-making deals with him from 2007 to 2010. Together Glencore and Gertler took over one of Congo's biggest copper producers, Toronto-listed Katanga Mining. In the process, Glencore enriched Gertler by $67million in cash and shares channelled through secretive offshore firms.

Gertler first courted controversy in 2000 when his ties to the presidency helped secure him a monopoly on Congolese diamonds. Since 2007 he has been Glencore's chosen partner as it strengthens its grip on prize mining assets in a country ranked by the UN as the least developed in the world. All in all, Glencore has advanced Gertler's companies more than half a billion dollars and agreements between them are set to earn Gertler hundreds of millions more in the years ahead.[1]

On 28 April, Och-Ziff Capital Management Group, a New York-based hedge fund firm, saw its shares crash by as much as 11 per cent following reports of its financing oil and mining deals involving Gertler.[2] Eurasian Natural Resources Corporation, one of Glencore's competitors, is being investigated by the UK's Serious Fraud Office for suspicious transactions, including at least one with Gertler. In 2010 ENRC's lawyers even identified Gertler as a corruption risk in a leaked report to Britain's Serious Organised Crime Agency.[3] Despite these concerns, Glencore insists its deals with Gertler are problem-free.[4]

Global Witness last wrote about Glencore's Congo mining deals in May 2012, in a memo warning shareholders of potentially corrupt transactions with Gertler. At the time, Glencore ignored calls for an independent examination of its Congo investments.[5] Meanwhile, Gertler's controversial ventures continue. In January 2014, Global Witness reported on an opaque oil deal that alone netted him nearly $150 million.[6]

Our new analysis shows how Glencore funded Gertler's purchase of shares as their interests coincided during the merger between Katanga Mining and London-traded Nikanor plc. Together they won control of some of Congo's most lucrative mineral assets. The deals were carefully constructed in a manner that concealed transactions with no apparent purpose other than protecting the interests of the president's friend.

Glencore has advanced Gertler's companies more than half a billion dollars

"All the transactions Glencore has concluded with companies associated with Mr Gertler have been conducted on arm's length terms and all public disclosure requirements applicable to us have been complied with," Glencore told Global Witness in a 14 May email. "Glencore has not afforded companies associated with Mr Gertler preference over other shareholders."

Gertler's spokesman, the UK's Lord Mancroft, said any suggestion that Glencore offered Gertler preferential treatment was "wholly misconceived" and that "there are legitimate commercial reasons for every transaction we are involved in".

Gertler has become central to almost every major copper mine sale in Congo, a gatekeeper for the country's number one export. Just five of his deals have resulted in the Congolese state losing out on some $1.4 billion, almost twice the country's annual spending on health and education combined, the Africa Progress Panel reported last year.

It was his partnership with Glencore that helped him get there. With the London-listed giant behind him, he was able to knock out the most powerful men in Congo's mining sector. Global Witness's findings show how the Glencore-Gertler relationship runs much deeper than either has admitted.

THE ALIGNMENT

In 2007 President Joseph Kabila's government needed cash to rebuild as Congo emerged from a decade of war. Copper prices were nudging record highs.[7] And Glencore, with its fearless investment record in Ivory Coast, Equatorial Guinea and Colombia, was hungry for expansion.

On offer was Katanga Mining which in 2005 had tied up with Belgian-Congolese businessman George Forrest to gain rights to a massive copper deposit. The Kamoto mine in Congo's mineral-rich Katanga province had potential to yield 150,000 tonnes a year[8]—twice Congo's entire output at the time.[9]

It wasn't just Glencore that had spotted Kamoto's potential. Camec, a rival miner with ties to Zimbabwean President Robert Mugabe,[10] was lining up a takeover. Zimbabwe had been a firm military backer of Kabila's side from its days as a rebel force to its early years in power—a gamble rewarded with Congolese mining concessions and even the brief instalment of Billy Rautenbach, a Zimbabwean businessman, as head of Congo's state mining company. Rautenbach now owned part of Camec, which had gained the backing of Forrest—now Katanga Mining's biggest shareholder—for its takeover plans.[11]

In outmanoeuvring Camec and Forrest, Glencore would find its interests aligned with Dan Gertler, the young trader whose personal friendship with Joseph Kabila had helped him win lucrative deals. Kabila succeeded to the presidency when his father was assassinated in 2001. The friendship remained and Gertler expanded from diamonds into copper, floating Nikanor plc in London in mid-2006. Nikanor's key asset was the KOV open pit mine—right next door to Katanga Mining's Kamoto.

A series of transactions had been carefully constructed to shield Gertler from risk

KOV and Kamoto had always gone together. Historically, they had been part of they same concession. Reuniting them made obvious sense—not least because Katanga Mining's concession held a 150,000-tonne per year copper refinery. Nikanor would need this to process it own mine's output—and so Gertler's eye was soon on Katanga Mining too.[12] But if Gertler hoped for a deal to share the refinery, he was disappointed: Forrest refused to cooperate, saying the plant couldn't handle ore from both Nikanor and Katanga, according to two sources with knowledge of the deal, both of whom requested anonymity.

The dispute that followed would help lay the ground for a bitter takeover battle that pitched Forrest and Camec against Glencore and Gertler. In the end Camec proved no match for Glencore's financial clout. As the deals unfolded, it became clear that a series of transactions had been carefully constructed to shield Gertler from risk, helping to protect his shareholdings from dilution and earning him millions in the process.

THE INSIDERS

By the summer of 2007, Art Ditto, Katanga Mining's embattled chief executive, was in a last-ditch fight to hold off the takeover onslaught from Camec. Rautenbach and his partners—former England cricketer Phil Edmonds and Zimbabwean businessman Andrew Groves—had been sucking up Katanga Mining stock since early in the year, forcing Ditto to take special measures to block a "creeping takeover".[13]

Gertler launched a two-pronged assault, building up an army of co-investors and cash

"The deal didn't make any sense," Ditto, now retired, told Global Witness by phone. "The value wasn't there." He declined to answer any more questions on Katanga.

Another reason for Ditto's caution at the time may have been Rautenbach: the 18 per cent Camec shareholder was a fugitive from South Africa, wanted on fraud charges related to a vehicle import business.[14] A 2006 UN report described him as a person of "unknown or questionable standing"[15] and in July 2007 he was expelled from Congo, accused of "fraud, theft, corruption and violating commercial law".[16] He was later added to EU and US sanctions lists—measures that were only fully lifted earlier this year.[17]

Camec's aggressive stock-buying also brought it into confrontation with Gertler, who already held shares in Katanga Mining through an offshore trust run by a London-based investment firm, RP Capital.[18]

As Camec's challenge gained momentum, Gertler launched his own push for Katanga Mining as a two-pronged assault—taking advantage of the stake he already held in the company via RP Capital, and building up an army of co-investors and cash within his main copper firm Nikanor. What he needed next was some serious muscle to contrive a merger of the two.

Enter Glencore. In May 2007, Gertler formed a consortium with other Nikanor shareholders, including diamond trader Beny Steinmetz and two UK-based property investors, the brothers Mendi and Moises Gertner.[19] The plan was to club together with Glencore and buy out Nikanor. When Nikanor's executives resisted, they were undeterred. Acting together, they had the required majority[20] to issue new shares and sell them to Glencore.[21]

Whatever the method, the result was the same: Glencore became a significant shareholder in Nikanor.[22] Not only that—it effectively ran the company: as part of the same deal, Glencore gained the right to appoint or dismiss Nikanor's top officials and rights to market all Nikanor's minerals.[23]

On 1 June 2007, Glencore took its stake in Nikanor by purchasing 50 million newly issued shares. Half of them, it said, were bought on behalf of a company called Ruwenzori . Dan Gertler was "not participating" in the transaction, Nikanor told the stock exchange in a lunchtime announcement.[24]

"So you treated insiders in a preferential way - Where's the corporate governance?"

By mid-afternoon, the mysterious Ruwenzori sale was raising hackles. In a conference call, Nikanor Chairman Jonathan Leslie faced angry investors. "So you treated insiders in a preferential way and gave shares to RP Capital but you don't know where they are. Where's the corporate governance?" said one, according to the news website Miningmx. In response, Leslie acknowledged that Gertler had an "indirect interest" in Ruwenzori. [25]

At 6pm, Nikanor filed a revised statement: Ruwenzori was owned by the Gertler Family Trust.[26]

What Nikanor didn't say is that Gertler's newly acquired shares were entirely funded by a £150 million ($297.15 million) Glencore loan. That emerged only later, when Glencore disclosed the arrangement to the Toronto Stock Exchange.[27]

By that time, Glencore and Gertler's ambitions for Katanga Mining were close to realisation.

BATTLE FOR KATANGA

Gertler had used RP Capital to manage some of his shares in both Nikanor and Katanga Mining. Because RP Capital bought the stock on his behalf, he was able quietly to increase his stake without sparking fears of a takeover. By August 2007, he and Glencore held a combined 42 per cent of Nikanor.[28] Gertler, through RP Capital, held 16 per cent of Katanga Mining.

He was now ready to make his play for Katanga. Nikanor wasn't the only player in the market, however. On 29 August, Camec formally launched its own hostile bid.

Camec already owned 22 per cent of Katanga and had lined up support from insiders holding 32 per cent more—a clear majority.[29] But within hours of formalising its offer, what should have been the prelude to a daring corporate raid ended in disarray. Without warning, Congo's Attorney General stepped in and declared all the firm's Congolese mining licences invalid.[30]

In London, Camec's stock immediately tumbled, at one point plummeting to 36 per cent below the opening price. The company had offered to pay for Katanga Mining in shares and as its share price collapsed, so did the bid. A week later, Camec formally withdrew its takeover offer.

Within a month, on 5 November 2007, Glencore stepped in to save Katanga Mining with a $150 million loan, repayable in Katanga shares.[31] And within a week of the loan deal being signed, Glencore and Gertler pushed through a merger of Katanga Mining with Nikanor.

Just why Camec's licences were suspended isn't clear. Congo's justice ministry said there were "serious irregularities" with the permits and the deputy mines minister called them "fraudulent".[32] Camec cried foul, saying the suspension was "clearly timed to impact the offer" and argued that it was illegal.

Glencore and Gertler both say they had no role in the revocation and did not profit by it.[33] Yet Camec eventually got its permits back after it agreed a settlement that handed 40 per cent of its shares to Gertler.[34] "It's clear that Dan Gertler is a well-connected and influential person in the DRC within the mining sector," a Camec spokesman said at the time.[35]

CLANDESTINE DEALS

1 SECRET LOAN

Glencore bails out Katanga Mining to save it from bankruptcy. Other shareholders are diluted but Glencore's secret loan to Gertler saves his stake.

Glencore's November 2007 loan bailed out Katanga Mining—for the time being. But less than a year later, the global financial crisis was in full force. Mining stocks crashed, copper prices went through the floor and Katanga Mining was on the cusp of insolvency.

As Katanga searched fruitlessly for investors to stave off liquidation, Glencore upped the stakes. In December 2008, it increased its loan from $150 million to $265 million—this time on much harsher terms.[36]

Glencore's loan was convertible, meaning Katanga Mining would have to repay it in shares by May 2009. At the time of the original 2007 loan, these were worth more than $16 apiece, meaning the company would have to give Glencore about 9 million shares—roughly 10 per cent of the company—to pay the loan back.[37]

But by December 2008 the stock was almost worthless, trading at just $0.28.[38] To repay the increased loan, Katanga would now need to create nearly a billion new shares, giving Glencore roughly 70 per cent of the company.[39] The bail-out had become a takeover.

De-Forrestation

What that meant in practice was that Katanga Mining's minority shareholders would see their control of the company almost completely wiped out—all except Gertler. Because Katanga would need to issue a huge quantity of stock to repay the loan, shareholders who couldn't get their hands on the new shares would find their holding diluted.

That's what happened to George Forrest, who before the merger with Nikanor had been Katanga Mining's largest shareholder with 24 per cent. That fell to 9 per cent when the companies joined and repayment of the loan left him with just 1.6 per cent. The Gertner brothers, who had been Nikanor's second largest shareholder, had 8.3 per cent of Katanga Mining before the loan. Repayment reduced their share to just 1.5 per cent.[40]

The only way to avoid dilution was to take part in the lending. Just one minority shareholder did: Dan Gertler—and it was a secret deal with Glencore that allowed him to do so.

Total control Stock exchange filings show that one of Gertler's companies—Lora Enterprises, registered in the British Virgin Islands—lent Katanga Mining $45 million or 17 per cent of the total $265 million convertible loan. [41]

What the filings don't mention is that Lora's loan was entirely funded by Glencore. This was only revealed by chasing a paper trail through the British Virgin Islands. Corporate records from there show that on 3 February 2009, six days before the loan was finalised, Lora's parent company, Zuppa Holdings, borrowed around $45 million from Glencore Finance (Bermuda).[42]

Normally, shareholder equality rules would have forced Glencore to offer the same terms to all of Katanga's shareholders. In this case Glencore didn't have to, for two reasons. First, it invoked financial hardship rules designed to speed transactions for distressed companies. Second, by using a convertible loan, it ensured that what may have looked to outsiders like a takeover was classified by regulators as a debt transaction. Those loopholes, though they may be legal, meant Glencore could avoid giving small shareholders a say.

Glencore told Global Witness by e-mail in September 2013 that "no other parties whatsoever elected to participate in the convertible facility".[43] Yet Global Witness spoke to one minority shareholder who said he asked Glencore for a loan like the one given to Gertler and was refused.

"Glencore was able to favour one particular Katanga shareholder over all others," said independent lawyers commissioned by Global Witness to analyse the deals. "This process undermined the spirit of the [Toronto Stock Exchange] regulations by failing to protect—and facilitating manifestly unequal treatment of—existing Katanga shareholders."[44]

When the dust cleared, Glencore and Gertler had Katanga Mining under almost total control.

Meanwhile, Gertler's rivals for Katanga Mining were simply melting away. Rautenbach had been summarily thrown out of Congo shortly before Camec's failed bid. Forrest had been diluted to insignificance and he and his son, Malta, resigned from Katanga's board.[45] By late 2009, Edmonds and Groves were gone too as Camec sold its Congolese interests to ENRC. Only Gertler—thanks to Glencore—was left standing.

2 OPTIONAL EXTRAS

Glencore gives Gertler an option on preferential terms. He uses it to buy shares cheaply. Almost immediately, Glencore buys them back at full price.

Alongside the $45 million loan to Lora in February 2009, Glencore issued a "call option" to Gertler's offshore company Ellesmere Global, registered in the British Virgin Islands. No other shareholders were given this.

A call option gives one company the right to buy shares in another at a fixed future date at a price set today. In Ellesmere's case, it would have the right until 9 February 2010 to buy $16 million of Katanga Mining shares at the price they were trading at in December 2008, when the $265 million convertible loan was made.[46] Stock options normally cost money. There is no evidence that Gertler paid anything for his.

What the Ellesmere option amounted to was a free gift. Gertler could wait a year before deciding whether to buy shares at the December 2008 price and would only do so if that guaranteed him a profit. It was an offer no other shareholder would have refused. But none got the opportunity.

Ostensibly, Glencore was once again protecting Gertler from dilution, on generous and flexible terms. In the event, it seems Gertler wasn't interested in boosting his stake. He just cashed in—at Glencore's expense.

A month after selling them to him, Glencore bought the shares back at full market price, effectively just handing him cash (see box 4 for the figures).[47]

3 CUT-PRICE SHARES

Glencore sells Gertler more cheap shares—and again buys them back at full price.

While Gertler was waiting for his option to mature, Glencore was consolidating its hold on Katanga Mining. In May 2009, it was time for Katanga to repay Glencore's $265 million loan by issuing new shares. The cost was high.

Under the loan agreement, the repayment would be triggered when Katanga raised an additional $250 million in cash. It tried to borrow the money. But after being knocked back by 12 different lenders, the company said it had no option but to turn to Glencore once again.

To raise the cash, Katanga Mining had to create yet more new shares for Glencore—on top of the shares it already needed to issue to repay the $265 million loan.[48] At the time, Glencore held 8.5 per cent of Katanga, Gertler 23 per cent. The deluge of new stock would increase the total number of Katanga shares nearly 10 times over.

On 7 July 2009, Katanga Mining issued the $250 million of new shares, priced at $0.35 apiece, to Glencore and its London-registered subsidiary, Jangleglade. Combined with the stock Katanga had already issued to repay the $265 million loan (see box 1), the new shares would see Glencore's stake leap from 9 per cent to 78 per cent.[49]

Once again, Gertler was unable to take part in the offering. Until three months later, that is, when on 13 October 2009 Glencore mysteriously sold 99 million shares, or around 5 per cent of Katanga Mining, to Breton Global, yet another Gertler entity in the British Virgin Islands.[50]

What was strange about the sale is that Gertler paid $0.35 a share—the same price Glencore had paid at the time of the July rights offering.[51] Yet by now Katanga Mining stock had rocketed: Gertler was getting the shares at a 60 per cent discount.[52]

On 24 March 2010—the same day Gertler sold his Ellesmere shares back to Glencore (see box 2)—Gertler also cashed in on his Breton shares. Having sold them cheap, Glencore obligingly bought 42 million of these shares back at $0.76, more than twice what Gertler paid for them.[53]

Gertler had spent $34.6 million on his 99 million Breton shares and sold less than half of them back for almost the same amount. He had almost entirely recouped his investment—and ended up with 57 million Katanga Mining shares practically for free.

The structure of the deal made it look as if Gertler was just exercising an option—and that is how Glencore described it in response to questions from Global Witness.

"Glencore wrote a call option for Breton, written at market price with a payment of interest, for a short period of time," Glencore wrote on 2 May 2012. "This was effectively a fully-secured loan."

In fact, no such option existed. Glencore handed shares to the president's friend, bankrolling his risk-free investment in Katanga Mining. The Breton deal and the Ellesmere option combined earned Gertler a total of $67 million cash and shares (see Box 4).

4 NUMBER CRUNCHING: HOW GLENCORE EARNED GERTLER HIS $67 MILLION

Gertler buys cheap shares from Glencore

On 13 October 2009, Glencore sold Breton, a company associated with Dan Gertler, 99 million shares at $0.35 each, a total price of $35 million.[54]

On 26 February 2010 Ellesmere, another of Gertler's offshore companies, exercised an option and bought 58 million shares for $0.297, a total price of $17 million.[55]

Adding those two together, Gertler spent $52 million to buy 157 million Katanga Mining shares from Glencore.

Glencore buys some back at full price

On 25 March 2010, Glencore bought 100 million shares (58 million from Ellesmere and 42 million from Breton) at $0.756, *total price* $76 million.[56] (Katanga Mining stock has since fluctuated, peaking at $2.17 a share on 27 April 2011 and hitting a low of $0.37 on 19 December 2013.)

Subtracting the amount he spent from the amount Glencore paid leaves a cash profit of $24 million.

Gertler keeps some shares

But Glencore only bought back 100 million of Breton and Ellesmere's shares, leaving these Gertler companies with another 57 million shares. At the 25 March 2010 price, those shares were worth $43 million.[57]

Adding that to his cash profit gives a total of **$67 million** in cash and shares.[58]

MORE SECRETS

Global Witness has unpicked some of Glencore's lending to Gertler. Yet much of their relationship remains mysterious. Records for Lora Enterprises retrieved from the British Virgin Islands registry reveal another undeclared loan to the gatekeeper. They show that on 15 June 2010 shares in Lora were offered as security for a loan from Glencore to a related offshore firm, Triways Investment.

Glencore won't say how much the loan was for or what it was for but the shares it was secured against were worth $145 million at the time of the transaction.[59] "Glencore has at various times made loans to companies associated with Mr Gertler, fully secured and at commercially attractive terms," the company told Global Witness in a September 2013 response to questions on Triways.

5. NUMBER CRUNCHING II: HOW GLENCORE FINANCED GERTLER

Gertler buys cheap shares from Glencore

i. $297,150,000 to Ruwenzori for the purchase of Nikanor shares in June 2007

ii. $30,000,000 for Kipushi in February 2008 (for details of this loan, see Global Witness's questions to Glencore, 5 April 2012, and Glencore's 2 May response)

iii. $61,000,000 to Lora and Ellesmere in February 2009 (Glencore said the arrangement with Elles mere - accounting for $16,000,000 of this - was "effectively a loan" but structured as an option)[60]

iv. $34,575,695 to Breton in October 2009 (also "effectively a loan", according to Glencore)

v. $145,015,000 to Triways in June 2010.

TOTAL KNOWN GLENCORE LOANS TO GERTLER: **$567,740,695**

PAYING THE GATEKEEPER

It is 17 years since Gertler arrived in Kinshasa to obtain a diamond trading monopoly by courting the president's son. In the years that followed, his bond with the Kabila family would help establish him as a gatekeeper to Congo's mineral riches.

But in those early years he wasn't the only one. In the chaos that followed Congo's civil war, there were many paths to the country's mines, with many gatekeepers to guard them: Billy Rautenbach and George Forrest—both former chiefs of the state mining company, Gecamines—commanded powerful fiefs. New challengers like Phil Edmonds and Andrew Groves were snapping at their heels.

Until 2007, that is. Glencore's entry changed everything. In the battle for Katanga Mining, no one could match the commodities giant's firepower. And Glencore's chosen gatekeeper—the one with the best ties to the president—shared in the victory.

Katanga Mining wasn't always a surefire investment. Before Glencore's takeover, poor management had squandered its cash reserves and the financial crisis nearly ended the project. But while many of its backers were knocked out, Gertler had Glencore's help to stay in.

By the time another mining giant, ENRC, targeted Congo in 2009 there was only one partner that mattered: Dan Gertler.

ENRC's mine purchases—completely separate from the Glencore deals—were a windfall for Gertler, netting him a profit of at least $725 million.[61] Compared with Gertler's transactions with Glencore, they were straightforward: in one case, the government simply confiscated mines from another firm and sold them at a discount to Gertler, who resold it for a huge gain. The ENRC deals were so simple, in fact, that the obvious corruption risks helped spark an investigation by the Serious Fraud Office.

Glencore's deals with Gertler, by contrast, are nuanced and convoluted. They involve intricate financial arrangements and secret transactions through offshore companies. Yet in both cases, the outcome is the same. The mining giant gets its assets and the gatekeeper's interests are taken care of. It may worry Glencore's shareholders that the man who has stirred controversy at ENRC and hedge fund manager Och-Ziff is also the vital link in their own Congo investments.

In the battle for Katanga Mining, no one could match Glencore's firepower.

Gertler's influence is now so great in Congo that in almost every sale of copper or cobalt assets by the state in the past five years, he has taken a cut. He has also expanded into oil. As the gatekeeper continues to profit, Congo continues to lose.

NOTES TO EDITORS

1. All dollar figures US unless otherwise stated
2. All the relevant Early Warning Reports to the Toronto Stock Exchange are available here http://bit.ly/RHWxWM
3. A 14 May response from Glencore to Global Witness's most recent questions can be found here: http://bit.ly/1gaBjMv
4. A response from Lord Mancroft, on behalf of Dan Gertler's holding company Fleurette, can be found here: http://bit.ly/1gaBqrx

ENDNOTES

1. As an example, Gertler's Fleurette Group owns 31 per cent of the Mutanda and Kansuki mines, whose operations were merged by Glencore in July 2013 (see Fleurette press release of 25 July 2013: "Fleurette and Glencore Complete Merger of Mutanda and Kansuki Mining Operations": http://www.prnewswire.com/news-releases/fleurette-and-glencore-complete-merger-of-mutanda-and-kansuki-mining-operations-216882021.html). The mines are already in production, with the merged Mutanda-Kansuki producing 150,600 tonnes of copper in 2013 (See: Glencore-Xstrata's 2013 production report: http://www.glencorexstrata.com/assets/Investors/GLEN-2013-Q4-ProductionReport.pdf). Glencore has an option to acquire half of the Fleurette Group's interest in Mutanda-Kansuki in July 2016 and the remainder in July 2018. See p. 32 Glencore's June 2013 half-yearly report: http://www.glencorexstrata.com/assets/Investors/GLEN-Half-Yearly-Report-2013.pdf. These purchases would earn Gertler's companies hundreds of millions of dollars, as is evident from Glencore's deal to buy a 20 per cent stake in Mutanda from Groupe Bazano in May 2012 for $340 million plus $140 million in debt - see Dow Jones, "Glencore lifts stake in Congolese copper, cobalt mine", 23 May 2012: http://www.theaustralian.com.au/business/mining-energy/glencore-lifts-stake-in-congolese-copper-cobalt-mine/story-e6frg9df-1226364167316#.
2. See Wall Street Journal, 28 April 2014, "Och-Ziff Loans Financed Controversial Congo Deals": http://online.wsj.com/news/articles/SB10001424052702304788404579523772144953130. Also: Bloomberg News, 28 April 2014, Och-Ziff Falls on Report Saying Firm Financed Africa Deal: http://www.bloomberg.com/news/2014-04-28/och-ziff-falls-on-report-saying-firm-financed-africa-deal.html
3. A copy of the ENRC report to the Serious Organised Crime Agency is online here: http://cf4.100r.org/media/2012/06/SAR.pdf. To read Global Witness's previous reports on the sale of Congo's mineral assets, see: http://www.globalwitness.org/library/secret-sales
4. "Companies associated with Mr Gertler are investors in projects in which Glencore is also a shareholder," Glencore told Global Witness in a 2 May 2012 letter. "Glencore does appropriate due diligence as required to ensure that it acts in line with its principles under Glencore Corporate Practice."
5. Global Witness wrote in its 9th May 2012 memo to Glencore shareholders: "Shareholders should call for a comprehensive external audit of Glencore's activities in the Democratic Republic of Congo since it first entered the country in 2007. The audit should detail the beneficial owners of all companies partnered with Glencore in the country's mines or linked in any way to its activities in the country. The audit should consider whether companies associated with Mr Gertler have posed a corruption risk or not. The results of this inquiry must be made public in printed form. The board must play no intermediary role."
6. In 2006, Nessergy, a company owned by Dan Gertler's Fleurette Group, acquired Congo offshore exploration rights for $500,000 and in 2013 resold the same rights for $150 million. Almost all of this was profit: Nessergy spent little on developing the oil block. "In order to aid the progression of the block and prevent further delay, Nessergy has agreed to hand the rights back in return for a fee to compensate it for not being able to progress development," a Nessergy spokesman told the Wall Street Journal on 24 January 2014. See: blogs.wsj.com/riskandcompliance/2014/01/24/israeli-billionaires-company-defends-congo-oil-deal/
7. See: http://www.infomine.com/investment/metal-prices/copper/all/
8. See Katanga's 16 February 2006 press release: "Arthur Ditto, President and Chief Executive Officer, reports from sites in Africa where the feasibility study is being prepared that "the study being prepared under the direction of Hatch's Johannesburg office is defining work and capital required to retrofit the mines and plants of the Kamoto JV. The retrofit will take place in four stages such that copper output is able to increase steadily during a four year period to a sustained 150,000 tonnes per year." http://www.katangamining.com/media/news-releases/2006/2006-02-16.aspx

9. According to the US Geological Survey, the DRC produced 73,300 tonnes of copper in 2004 (see: www.minerals.usgs.gov/minerals/pubs/country/2004/cgmyb04.pdf)

10. Billy Rautenbach, a Zimbabwean businessman, held shares in Camec since at least 3 February 2006, when the company bought part of his International Metal Factors, with part of the payment in Camec stock (see: http://www.investegate.co.uk/central-afr--min--38-exp--cfm-/rns/interest-in-copper-cobalt-jv/200602031446489173X/). See also "Addendum to the report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo", November 2001: "Although Australian, United States, Canadian, Belgian and South African companies have established joint ventures in Gécamines' concession areas, the Government of the Democratic Republic of the Congo has primarily relied on it as a means to ensure the continued support of Zimbabwe. Zimbabwean Billy Rautenbach was named the Managing Director of Gécamines in November 1998 during a visit to Harare by President Laurent-Désiré Kabila. According to this deal, some of Gécamines' best cobalt-producing areas were also transferred to a joint venture between Mr. Rautenbach's Ridgepoint Overseas Development . and the Central Mining Group, a Congolese company controlled by Pierre-Victor Mpoyo, then Minister of State. Mr. Rautenbach also acted as Managing Director of the joint venture, a blatant conflict of interest. The Panel has information that President Kabila's decision to appoint Mr. Rautenbach—a man with no mining experience but with close ties to the ruling ZANU-PF party in Zimbabwe—was made at the request of President Robert Mugabe during that visit."

11. Camec's takeover bid circular, filed with the Toronto Stock Exchange on 27 August 2007, says that George Forrest is among shareholders who have entered "lock-up" agreements with Camec and agreed to back the offer: " 'Lock-Up Agreements' means the agreements dated July 10 and 11, 2007 between the Offeror and the Locked-Up Shareholders pursuant to which the Locked-Up Shareholders have agreed to deposit the Locked-Up Shares to the Offer and not withdraw them, except in limited circumstances, as described in Section 3 of the Circular... 'Locked-Up Shareholders' means, collectively, George Forrest, New Star Asset Management Limited, Pendragon, North Sound, The Resource and Energy Fund, The Wildhorn Master Fund and Amber Master Fund (Cayman) SPC."

12. Once the mines and processing facilities are fully rehabilitated, KCC hopes to produce approximately 150,000 tonnes of copper and 5,000 tonnes of cobalt per year, Katanga Mining said in a 9 August 2005 stock exchange filing.

13. Katanga Mining enacted a shareholder rights plan to block any attempt to acquire more than 20 per cent of the company's shares, it said in a 10 May 2007 filing: "The rights issued under the rights plan entitle the holder to acquire 0.162 of a common share for CDN$100.00 (the "Exercise Price"). The rights will trade together with the common shares of the Company until the "Separation Time" and will not be exercisable until the "Separation Time". The Separation Time occurs on the tenth business day following the date a person, together with any parties related to it, acquires or announces its intention to acquire 20% or more of the Company's outstanding common shares without complying with the "Permitted Bid" provisions of the rights plan or without approval of the Board of Directors of the Company. A "Permitted Bid" is one that has been made to all shareholders of the Company by a takeover bid circular."

14. See `The Supreme Court of Appeal of South Africa, matter between the National Director of Public Prosecutions and Conrad Muller Rautenbach, 146/2003, 19 August 2004: "The principal accusation made against Rautenbach was that he was a party to defrauding the South African Revenue Service in the course of operating a business that imported vehicles into southern Africa and into South Africa in particular. Rautenbach was also accused of having stolen money from one of the companies with which he was associated, and of contravening s 86(e) of the Customs and Excise Act 91 of 1964" See also: Bloomberg, 21 September 2009, Rautenbach to Pay S. African Fine to End Legal Battle (Update1) : http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aINXh9QhQiyQ

15. UN document S/2006/525: 'Letter from the Chairman of the Security Council Committee established pursuant to resolution 1533 (2004) concerning the Democratic Republic of the Congo addressed to the President of the Security Council', 18 July 2006

16. See the July 2012 report by Rights and Accountability in Development (Raid): "Asset laundering and AIM: Congo, corporate misconduct and the market value of human rights", p. 12: "According to a statement distributed on behalf of the Katanga provincial government, the Congolese Interior Ministry informed Rautenbach on 17 July 2007 that he was barred from the country. The statement read: 'Mr Rautenbach had amassed a large number of mineral and other assets in the DRC during the civil war and subsequently'. The statement continued: 'The Government of the DRC is making strenuous efforts to clean up the mining sector in the country, and has taken seriously South African charges of fraud, corruption and other crimes against Rautenbach'. The Raid report cites Mining Weekly's 9 July 2007 article as the source: 'CAMEC's Rautenbach arrested in DRC, deported to Zimbabwe". Rautenbach received a document from Congo's Ministry of the Interior detailing the reasoning behind his expulsion, according to The Sunday Times, 22 July 2007, 'Edmonds group in spin after miner is run out': http://www.corpwatch.org/article.php?id=14578

17. Details of the sanctions are available on the website of the US government's Federal Deposit Insurance Corporation. See: http://www.fdic.gov/news/news/financial/2008/fil08136a.html

18. Before Katanga Mining merged with Nikanor in November 2007, RP Explorer owned 12,275,000 Katanga Mining shares or 15.7 per cent of the company, according to a 29 January 2008 early warning report filed with the Toronto Stock Exchange. Another report from 28 June 2007 states: "Pursuant to existing or future arrangements between the Offeror [RP Explorer] and entities managed by RP Capital Partners Cayman Islands Limited (or its subsidiaries), a discretionary trust in which Dan Gertler's family interest is a potential ultimate beneficiary, has or will have an indirect interest in the shares currently held by the Offerer." RP Explorer is described as the "flagship fund" of RP Capital UK, a UK-based provider of investment/advisory services run by Rafael Berber, according to RP Capital's 2007-08 annual report and financial statements, p. 3.

19. Details of the bid by the consortium, Cosaf, appeared in Nikanor's 16 May 2007 stock exchange filing: "On 15 May 2007, after market close, the Company received a non-binding indicative proposal in the form of a letter from a special purpose vehicle, Cosaf Limited ('Cosaf'), whose shareholders will be: • the three existing major shareholders of the Company (Oakey Invest Holdings Inc., Pitchley Properties Limited and New Horizon Minerals Limited (collectively, the 'Major Shareholders'), who together own, in aggregate, approximately 72% of the existing issued share capital of Nikanor); and • two entities wholly owned by RP Capital Partners Cayman Islands Limited and Glencore International AG, respectively." See: http://www.investegate.co.uk/nikanor-plc--nkr-/rns/update-for-shareholders/200705160730036715W/ Oakey Invest and Pitchley properties were owned by Beny Steinmetz Group Resources and the Gertner brothers respectively, according to a 1 June 2007 filing. "BSGR (the Beny Steinmetz Resource Group) and the Gertner family...currently own 36 per cent. and 22 per cent. respectively of the Company (through Oakey and Pitchley respectively)". See: http://www.investegate.co.uk/nikanor-plc--nkr-/rns/issue-of-equity/200706011223236297X/

20. See Nikanor's 12 July 2006 filing: ""Following the offer, the company's three existing shareholders, BSG Resources Limited (through Oakey Invest Holdings Inc.), Pitchley Properties Limited and the DGI Group of Companies (through New Horizon Minerals Limited), will continue to be the majority shareholders of Nikanor, with a combined ownership of 73.4% prior to any exercise of the over-allotment option, or 71.5% in the event the over-allotment option is exercised in full."
http://www.investegate.co.uk/nikanor-plc--nkr-/rns/offer-price-announcement/200607120700360617G/

21. Nikanor directors resisted the consortium initial effort to take over the company: "The Board excluding those directors representing the Major Shareholders (the'Unconnected Directors') consider that the non-binding indicative proposal from Cosaf [the consortium of major investors] does not reflect the true value of the Company," they said in a 16 May 2007 statement.
See: http://www.investegate.co.uk/nikanor-plc--nkr-/rns/update-for-shareholders/200705160730036715W/

22. See Nikanor's 8 June 2007 filing: "Nikanor PLC has received notification from Glencore International AG on 6 June 2007 of its interest in 50,000,000 Nikanor shares to be registered in the name of Glencore Finance (Bermuda). The notification was given on behalf of Glencore Finance (Bermuda) and each intermediate holding company between Glencore International AG and Glencore Finance (Bermuda) . This holding represents 24.21% of Nikanor's outstanding share capital as enlarged by the company's share placing of last week."
http://www.investegate.co.uk/nikanor-plc--nkr-/rns/holding-s--in-company/200706081327400543Y/

23. Nikanor said in a 1 June stock exchange filing: "In addition, Glencore will have a right under its Relationship Agreement to appoint, remove and re-appoint the Executive Chairman (if the roles of Chairman and Chief Executive are combined) and the Chief Financial Officer, or the Chief Executive Officer (if the roles of Chairman and Chief Executive Officer are not combined) and Chief Financial Officer (provided that no more than two Glencore appointees may be on the Board at any one time)...The Company and Glencore have agreed legally binding heads of terms for off-take arrangements which provide that Glencore will buy from the Company 100% of its annual copper and cobalt production on market related terms." See: http://www.investegate.co.uk/nikanor-plc--nkr-/rns/issue-of-equity/200706011223236297X/

24. See Nikanor's 12:23pm filing on 1 June 2007: http://www.investegate.co.uk/nikanor-plc--nkr-/rns/issue-of-equity/200706011223236297X/

25. See Miningmx, 'Nikanor grilled over "unusual" financing,' 1 June 2007: http://www.miningmx.com/news/archive/927287.htm

26. For Nikanor's 6pm announcement on 1 June 2007, see: http://www.investegate.co.uk/nikanor-plc--nkr-/rns/issue-of equity/200706011800396774X/. This screenshot shows the timings for the two announcements http://bit.ly/1nWf4dt

27. Glencore's loan to Gertler for the Ruwenzori shares can be seen by comparing filings for Nikanor and Katanga Mining: "Glencore has a security interest in 25,000,000 Nikanor shares in connection with a loan to a party related to RP Explorer, which loan proceeds were used for the purchase of such Nikanor shares," Glencore disclosed in a 29 November 2007 Early Warning Report to the Toronto Stock Exchange. Nikanor stock exchange filings from 1 June 2007 show that Glencore "intends to participate in the bookbuild for 50,000,000 placing shares (50 per cent of which will be applied for on behalf of Ruwenzori Limited, an SPV managed by RP Capital). Ruwenzori is an "entity controlled by Cosaf", which in turn is "an entity managed by RP Capital and owned by a discretionary trust for the benefit of the Gertler family", according to a January 29 2008 Early Warning Report filed by Glencore in Toronto. On 1 June 2007 the shares were sold to Glencore/Ruwenzori at an issue price of £6.00 apiece, giving the Glencore-funded Ruwenzori shares a value of £150 million ($297.15 million at the 1 June 2007 rate of $1.981).

28. See Katanga Mining's stock exchange announcement of 6 November 2007: "Recommended Merger of Katanga and Nikanor to Create a Leading African Copper and Cobalt Company". The document lists the stakes of all the major shareholders in Katanga Mining and Nikanor.

29. See Camec's 29 August 2007 statement on its proposed Katanga takeover: "CAMEC owns 22% and has reached agreement with certain shareholders representing approximately 32% of the outstanding shares of Katanga pursuant to which such shareholders have agreed to accept the Offer"
http://www.marketwired.com/press-release/central-african-mining-exploration-company-plc-camec-offer-purchase-katanga-mining-764847.htm

30. See Raid's report "Asset laundering and Aim", p. 10-11: http://www.miningwatch.ca/sites/www.miningwatch.ca/files/AIM_Report_2012.pdf.

31. Katanga Mining Early Warning Report to Toronto Stock Exchange, 5 November 2007

32. See 'Camec's shares tumble as DRC plans to revoke mining licence', The Times, 31 August 2007
http://www.thetimes.co.uk/tto/business/industries/naturalresources/article2180943.ece

33. In a 13 May 2014 email to Global witness, Fleurette Group spokesman Lord Mancroft said it would be "preposterous" to suggest that Gertler's companies may have benefitted from suspension of the licence to Camec's Mukondo mine, as Gertler's Fleurette was a 50 per cent partner in the project. However, Camec stock exchange filings show that at the time of the suspension, operations at Mukondo had been shut down for more than year because of a dispute between Camec and Fleurette. "With regard to Mukondo, Camec has been prevented from mining on the property by the joint owner of the concession," Camec told the stock exchange on 10 May 2007. "Camec has been exerting considerable pressure to resolve the situation and recommence mining." Camec only resolved the dispute and secured its licence after agreeing to sell 40 per cent of the company to Gertler. ""There's no doubt that having a strong partner like him arguing our case and supporting us through the JV should help rather than hinder us in resolving those (licence) issues," a Camec spokesman told Reuters on 7 November 2007.
See: http://www.investegate.co.uk/article.aspx?id=200705101239203813W and http://uk.reuters.com/article/2007/11/07/camec-jv-idUKL0771390120071107

34. Camec was able to continue operations at its Mukondo Mountain concession after forming a joint venture with Prairie International , "a company in which a trust for the benefit of members of the family of Dan Gertler is a major shareholder," Camec said in a 7 November 2007 stock exchange filing. "Under the terms of the Proposed Transaction, Prairie will receive 815,000,000 new ordinary shares in CAMEC, representing approximately 39.9% of its enlarged share capital, as consideration for Prairie's 50% stake in the JVC," Camec said in a 7 February 2008 stock exchange filing. http://www.investegate.co.uk/central-afr--min--38-exp--cfm-/rns/drc-update/200802070729074872N/

35. See 'UPDATE 2-CAMEC shares soar after agrees Congo joint venture', Reuters, 7 November 2007
http://uk.reuters.com/article/2007/11/07/camec-jv-idUKL0771390120071107

36. See Katanga Mining's 24 December 2008 press release http://www.katangamining.com/media/news-releases/2008/2008-12-24.aspx

37. See Glencore's Early Warning Report to the Toronto Stock Exchange on 5 November 2007: to repay the loan, Katanga would issue 9,157,509 shares to Glencore to give it a 10.4 per cent stake

38. See Glencore's Early Warning Report to the Toronto Stock Exchange on 30 December 2008

39. See Glencore's Early Warning Report to the Toronto Stock Exchange on 12 June 2009: following conversion of the loan on 12 June 2009: Jangleglade's (a Glencore subsidiary) participation on the loan was exchanged for 735,178,633 shares plus 58,400,760 shares (the latter amount being for repayment of interest) – this represented approximately 64% plus approximately 5% (i.e. a total of 69%). In addition, Glencore's already had 17,580,483 shares. In total, this gave Glencore about 70 per cent of Katanga Mining's total shares of 1,177,344,131. On the "nearly a billion" figure, see Glencore's 12 February 2009 Early Warning Report to the Toronto Stock Exchange, saying that prior to conversion of the increased convertible loan Katanga Mining had 206,320,802 shares. Katanga Mining's 2 June 2009 news release (http://www.katangamining.com/media/news-releases/2009/2009-06-02.aspx) says that to repay the loan Katanga Mining issued 971,023,329 shares, increasing its total issued and outstanding common shares to 1,177,344,131.

40. According to Katanga and Nikanor's merger recommendation announcement of 6 November 2007, George Forrest held 18,800,000 shares in Katanga Mining out of a total of 78,887,743 before the merger (23.83%). After the merger, the total rose to 206,320,802, of which Forrest's stake then made up 9.1% . The Gertners held 17,170,130 following conversion of their 28,010,000 Nikanor shares at a rate of 0.613, as set out by the merger agreement, giving them 8.3% of Katanga post-merger. Following repayment of the loan, there were a total of 1,177,344,131 Katanga Mining shares, according to Glencore's 22 May 2009 Early Warning Report to the Toronto Stock Exchange. Both Forrest and the Gertners would see their stakes diluted still further in a rights issue linked to the loan deal and concluded within days of repayment (see Box 2).

41. See Glencore's 12 February 2009 Early Warning Report to the Toronto Stock Exchange: "Lora's participation in the New Facility is US$45 million or 16.9% of the New Facility."

42. Details of Glencore's loan to Zuppa can be found on p. 32 of the company's British Virgin Islands corporate filing, available here http://bit.ly/1loZ9l8. Post-incorporation transactions filed in the BVI contain details of a charge over Zuppa's shares of Lora in exchange for the loan on 3 February 2009. The release document for this loan stipulated that Zuppa would be liable for a net repayment of $45.9m at a later date. A spokesman for Mr Gertler said that Lora and Zuppa are companies owned by Fleurette Group which took a "pro rata participation" of $45m in the syndicated loan and "agreed terms with Glencore to borrow such amount on commercial terms".

43. Glencore wrote to Global Witness in September 2013: "At the peak of the financial crisis in 2008, Katanga Mining needed to raise urgent funding. The company appointed Credit Suisse as their financial advisor who conducted a roadshow to raise funding either as debt or equity and not one investor could be found. As no alternative sources of funding were available to Katanga Mining, the company requested financing from Glencore to address its serious financial predicament. Negotiations resulted in Glencore providing Katanga Mining with a second convertible loan facility. Katanga Mining required that it be capable of approaching certain other investors and potential investors with a view to them participating in both facilities up to an aggregate amount not exceeding 75% of the issue, with Glencore's participation being reduced proportionately to a minimum of 25% of the issue. No other parties whatsoever elected to participate in the convertible facility other than those documented in the Early Warning Reports."

44. According to independent lawyers who analysed the transactions: "One principled criticism that may be leveled at Glencore is that it abused the financial hardship exemption by deploying the New Facility agreement to benefit one specific shareholder while diluting the rights of all others. The OSA is designed for two ends: (1) "to provide protection to investors from unfair, improper or fraudulent practices"; and (2) "to foster fair and efficient capital markets and confidence in capital markets." [Ontario Securities Act, s. 1.1]. Rule 61-101, Protection of Minority Security Holders in Special Transactions, is designed to promote these ends, particularly in the context of related-party transactions. The Companion Policy provides that interpretation of the Rule is premised on shareholder equality: "The definitions of business combination, collateral benefit and interested party, as well as other provisions in the Instrument, include the concept of identical treatment of security holders in a transaction."

45. See Glencore and Katanga Mining's joint press release, 10 June 2009: http://www.katangamining.com/media/news-releases/2009/2009-06-10.aspx

46. "February 9, 2009 (the "Second Closing Date")... Lora Participation and Ellesmere Call Option On the Second Closing Date, Lora Enterprises Limited ("Lora"), whose ultimate owner is the Trust (and therefore an affiliate of Cosaf), purchased a US$61 million participation in the New Facility. Of this US$61 million participation amount, US$16 million (the "Call Option Amount") was transferred to Glencore Finance, and Glencore Finance issued a call option (the "Call Option") to Ellesmere Global Limited ("Ellesmere") over the Call Option Amount. Ellesmere is a company whose ultimate owner is the Trust and therefore an affiliate of Cosaf and Lora. The Call Option is exercisable, in whole or in part, for one year following the Second Closing Date at an exercise price equal to the par value of the Call Option Amount, plus interest accrued from the Second Closing Date at LIBOR plus 7%." – Glencore Early Warning Report to Toronto Stock Exchange, 12 February 2009. Page 2 of the Early Warning Report says that the conversion price of the convertible loan and of the Lora and Ellesmere participations was $0.2783 per Katanga share plus interest at Libor plus 7%.

47. On 26 February 2010 Ellesmere, another of Gertler's offshore companies, exercised an option and bought 58,400,760 shares for $0.297, a total of price of $17,347,483.64 (see Katanga Mining Early Warning Report, 1 March 2010). On 24 March 2010, Glencore bought 58 million shares back from Ellesmere for $0.756 each (see Early Warning Report, 26 March 2010, which announces the repurchase; and, for more detailed figures, Katanga Mining's Insider Trading reports to the Toronto Stock Exchange http://bit.ly/1lHF1wk).

48. See Katanga Mining's 28 April 2009 press release: http://www.Katanga Miningmining.com/media/news-releases/2009/2009-04-28.aspx

49. Katanga Mining's 28 April 2009 announcement shows that before the loan conversion and rights offering, Glencore owned 17,580,482 of 206,320,802 Katanga Mining shares, or 8.5 per cent. See Katanga Mining's 28 April 2009 press release: http://www.Katanga Miningmining.com/media/news-releases/2009/2009-04-28.aspx After completion of the rights offering, Glencore and its subsidiary Jangleglade together controlled 77.9 per cent of Katanga Mining. See, Katanga Mining and Glencore's 7 July 2009 joint press release:http://www.Katanga Miningmining.com/media/news-releases/2009.aspx

50. Glencore sold Breton 98,787,701 shares, or 5.2 per cent of the company, according to a Glencore Early Warning Report filed with the Toronto Stock Exchange on 15 October 2009. Breton paid $34,575,695 "plus an agreed amount of interest". Gertler's interest in Breton is described in Glencore's Early Warning Report of 26 March 2010, which says: "Each of Breton Global, Ellesmere and Lora Enterprises Limited are wholly-owned, directly or indirectly, by the Trust." It describes the Trust as being "for the benefit of family members of Dan Gertler".

51. See Glencore's Early Warning Report to the Toronto Stock Exchange on 8 October 2009: "Glencore International has, through its wholly-owned subsidiary Jangleglade, agreed to sell an aggregate of 98,787,701 common shares of Katanga Mining Limited pursuant to a share purchase and sale agreement dated October 6, 2009 with Breton Global Limited, as purchase, for an aggregate base purchase price of US$34,575,695 (or US$0.35 per share), plus an agreed amount of interest."

52. On 13 October 2009, Katanga Mining shares were trading at CAN$0.88, or US$0.906. US$0.35 is 39% of US$0.906.

53. See Glencore's Early Warning Report to the Toronto Stock Exchange on 26 March 2010: "On March 24, 2010, Glencore International (through Jangleglade) entered into an agreement for the sale and purchase with Breton Global Limited and Ellesmere Global Limited pursuant to which Glencore International agreed to purchase 100 million common shares of Katanga Mining Limited for US$75.6 million, or US$0.756 per Katanga share. This share purchase closed on March 25, 2010." Regarding the breakdown of these 100 million shares, insider trading reports show that Breton had originally bought 98,787,701 shares on 13 October 2009 and sold 41,599,240 of these on 25 March 2010.

54. See Glencore's Early Warning Report to the Toronto Stock Exchange on 8 October 2009

55. See Glencore's Early Warning Report to the Toronto Stock Exchange on 1 March 2010. Glencore sold 58,400,760 shares in Katanga Mining for $17,347,483.64 or $0.297 per share.

56. See Glencore's Early Warning Report to the Toronto Stock Exchange on 26 March 2010: "On March 24, 2010, Glencore International (through Jangleglade) entered into an agreement for the sale and purchase with Breton Global Limited and Ellesmere Global Limited pursuant to which Glencore International agreed to purchase 100 million common shares of Katanga Mining Limited for US$75.6 million, or US$0.756 per Katanga share. This share purchase closed on March 25, 2010."

57. Insider trading reports show that Breton was left with 57,188,461 shares. At the 25 March 2010 price of $0.756 a share, the total value comes to $43,234,476.52.

58. The figures in this section have been rounded for the sake of simplicity. The exact numbers are as follows: On 13 October 2009, Glencore sold Breton 98,787,701 shares at $0.35 each, total price $34,575,695. On 26 February 2010 Ellesmere exercised an option and bought 58,400,760 shares for $0.297, total price $17,347,483.64. Adding those two together, Gertler spent $51,923,178.64 to buy 157,188,461 Katanga Mining shares from Glencore. On 24 March 2010, Glencore bought 100 million shares from Ellesmere and Breton at $0.756, total price $75.6 million. (Katanga Mining stock has since fluctuated, peaking at $2.17 a share on 27 April 2011 and hitting a low of $0.37 on 19 December 2013.) Subtracting the amount he spent from the amount Glencore paid leaves a cash profit of $23,676,821.36. Glencore only bought back 100 million of Gertler's shares, leaving him with 57,188,461. At the 24 March 2010 price, those shares were worth $43,234,476.52. Adding that to his cash profit gives a total of $66,911,297.88 in cash and shares.

59. Katanga Mining was trading at CAN$0.91 on 15 June 2010, at which time Lora owned 164,252,139 shares, giving them a total value of CAN$149.5 million or US$145.015 million using the exchange rate at that date (CAN$1=US$0.97).

60. The Ellesmere transaction was "in effect a fully-secured loan at a commercially-attractive rate of interest for Glencore", Glencore told Global Witness in May 2012. See: http://www.globalwitness.org/sites/default/files/library/Responses%20by%20Glencore%20to%20Global%20Witness.pdf

61. For analysis of ENRC's deal with Dan Gertler, see the 2013 report of the Africa Progress Panel, 'Equity in Extractives" p101 (http://www.africaprogresspanel.org/wp-content/uploads/2013/08/2013_APR_Equity_in_Extractives_25062013_ENG_LR.pdf) and Global Witness's letter to ENRC shareholders, 12 June 2012 (http://www.globalwitness.org/sites/default/files/library/Global%20Witness%20memo%20to%20ENRC%20shareholders%2012.6.12_0.pdf)

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