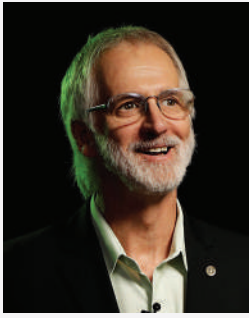


**HNWI**

## Opportunities for Investing in the Minerals Industry



## INTRODUCING



### *Interviewee*

**Mark Berry**  
**Founder and Director**  
**Derisk Geomining Consultants**



---

Mark Berry is a geologist with over 40 years of experience in the global minerals industry. His expertise spans exploration, feasibility and development, mine operations, management, research and development, consulting, and professional development.

Mark has authored/co-authored technical papers, articles, and seminars on public listing requirements for exploration and mining companies, public reporting obligations, mining risk assessment, intellectual property management, geological benchmarking, and mineral resource auditing.

Since 2007, Mark has worked in the global minerals consulting. For much of the last ten years, his activities have been in Asia, where he has developed expertise in public listing and compliance reporting for minerals companies on Singapore Exchange and elsewhere. He was a member of the industry working group that made changes to Singapore Exchange rules in 2018.

In 2017, Mark co-founded Derisk Geomining Consultants, which has a strong focus on serving the minerals sector in Southeast Asia and Australasia. Derisk has a staff and associate base of more than 80 mining professionals providing specialist technical and financial advice and services.



### *Interviewer*

**Steven Tsui**  
**Director**  
**HNWI Private Limited**



---

Steven is the founder and Director of HNWI Private Limited, which is a wealth consultancy firm with the headquarter in Singapore since it was founded in 2012. He is responsible for setting the overall strategic direction and leading the growth of the firm.

Before he founded HNWI Private Limited, Steven held positions of Associate Director and Associate Vice President of Private Banking in DBS Bank, Singapore, from 2005 to 2012 with the responsibility of looking after private clients.

Before joining DBS, Steven was the Relationship Manager in Standard Chartered Bank, Priority Banking in Singapore, and Assistant Manager in Citibank, N.A., Global Consumer Banking in Singapore, where he had developed numerous client relationships.

With more than two decades of experience in financial and related industries, relationships, and insights, Steven is well-positioned to serve private and corporate clients on wealth-related matters.

# Interview

On 4 May 2020, Derisk Geomining Consultants Founder and Director Mr. Mark Berry discussed with HNWI Private Limited's Steven Tsui on the exciting opportunities in the minerals industry.

Steven: **My guest today is Mr. Mark Berry. He is a business owner, a veteran geologist, and we are going to talk about the minerals industry. Mark, thanks for joining me here today.**

Mark: Thank you, Steven, for offering me this opportunity to speak about the profession and industry that I love. Minerals industry risk and opportunity are my favourite topics.

Steven: **Can you tell us about your background and career history, which led you to where you are today?**

Mark: I graduated as a geologist in the late 1970s and have now worked in the minerals industry continuously for 40 years. I have had the great pleasure of working around the world across many mineral commodities and many geological and mining settings (excluding oil and gas).

By working across the entire mining cycle from exploration through feasibility to development, mining, and ultimately closure, I have gained extensive experience that allows me to provide clients with valuable insights into the industry and to provide technical advice and services to meet their needs.

Steven: **What has been the progress of the company under your leadership?**

Mark: My business partner Michele Pilkington and I established Derisk Geomining Consultants in 2017. Since then, we have completed 75 consulting assignments, mostly in Southeast Asia and Australasia. Our core activities include due diligence and technical reviews, expert reports and valuations, Mineral Resource and Ore Reserve estimates, mine operations support, strategic planning, risk assessment, and professional development.

Steven: **What is your business philosophy?**

Mark: Our business strategy is to **deliver “Tier One” services without the “Tier One” price tag**. We do this by running a company with a small core team of staff and an extensive pool of associates located around the globe. This strategy keeps our fixed cost structure down, and we pass these savings onto our clients.

Our staff and associates are experienced technical experts in geology, mining engineering, metallurgy, and environmental science, typically with more than 20-25 years of experience.

Steven: **Can you tell us the critical success factors that drive the profitability of businesses in the mineral industry?**

Mark: The quality of the mineral asset itself and the quality of the management and technical team are crucial. Of course, there are many other critical factors – such as commodity prices and factors associated with the location of the asset. It is essential to differentiate the factors that can and cannot be controlled in an investment decision.

Steven: **What are the investment opportunities in the minerals industry? Why?**

Mark: Businesses in the minerals industry cover the entire life cycle of mining. At any time, there are companies focused on exploration looking for the next “big thing”, companies with an asset assessing feasibility and options for development, companies with projects in construction, and those with operating mines.

The industry attracts both private and public companies, and there are investment opportunities at all stages. In the exploration, feasibility, and development stages, many companies are seeking investment funds to execute the work they have planned. Operating mines also seek funding to expand their production. Also, companies are seeking funds to make a new acquisition.

Steven:

**What are the critical risk factors for investing in the minerals industry? How have you managed these risks well?**

Mark:

When we complete a risk analysis, we group risks and opportunities into six categories:

- Exploration
- Technical
- Financial
- Legal and political
- Environmental
- Social and community

The primary risk factor of investing in an exploration company is the failure to discover an economically viable mineral asset, i.e., exploration risk. But, if a company is successful, the financial rewards can be impressive.

On risk management for exploration, everyone must have a shared appreciation of the risk and reward profile and ensure funding/activity milestones are in place that results in decisions to continue or walk away from a project.

For projects in feasibility, development, and operation, the other risk/opportunity categories are all crucial and must be managed holistically. One key aspect is to separate the risks that can be controlled by the business as opposed to the risks outside the control of the company.

For example, commodity price is regularly assessed as a major risk factor and opportunity to a minerals project, but this is outside the control of most businesses. In contrast, risks and opportunities associated with mining and processing (i.e., technical risk) are controlled by the company.

Steven:

**What kind of customers do you target?**

Mark:

Our client base includes investors, exploration and mining companies (private and public), corporate finance firms, and law firms, as well as regulators and governments.

Steven: **What are some of the key challenges your customers are facing?**

Mark: Typically, client challenges fall into several categories:

1. Clients who do not have mining backgrounds require technical expertise.
2. Private businesses that are looking to list on stock exchanges and need technical expertise to prepare the necessary reports.
3. Clients (with or without mining backgrounds) requiring due diligence and valuations, strategic planning, operations support, or independent risk assessments.

Steven: **How can your team address your customers' needs and help them to overcome the challenges?**

Mark: In the first place, we listen to our clients to understand precisely what they want to do. Based on this interactive discussion, we map out the activities, milestones, timeline, and outcomes, from which the cost estimate is derived. Generally, this is an iterative process because it is critical to assemble a realistic and achievable plan.

Steven: **How does your team serve your clients well?**

Mark: Initially, we develop a relationship based on trust and respect with the client, then assembling the best possible team to deliver the scope of work. During a project, we communicate regularly with our clients to ensure there are no "nasty surprises" technically or financially. Finally, we deliver a professional report documenting our work and findings.

Steven:

**How does your organization differentiate itself from your competition?**

Mark:

Many of our larger competitors have office-based structures with a large pool of employees. Therefore, they have a much larger business overhead than Derisk. This structure also means that these companies choose to use their employees to complete consulting jobs whenever possible, even if they may not necessarily be the best person for the scope of work.

We have a small overhead structure and rely on independent associates that mean we assess every job carefully to determine the associates with the best expertise for that scope of work. More importantly, I have personal involvement in every job to ensure we deliver a professional service.

Steven:

**What are your pricing models for your customers?**

Mark:

We are flexible. Where our scope of work demands independence, we always use a fee-for-service model with no performance bonuses or success fees. In other engagements, we will use value-based, market-based, or cost-plus models.

Steven:

**What is your plan for the company in the next 1 to 3 years?**

Mark:

Our current priority is to weather the Coronavirus storm, which has reduced our workload temporarily due to international travel restrictions. Fortunately, much of our work is desktop-based and is mostly unaffected because the Derisk team and our associates work from independent locations.

In the next three years, we will consolidate the success we have achieved in our first three years of operation, expand our technical services, and enlarge our international associate base.

Steven:

**I appreciate having you here today. Thank you so much, Mark!**

Mark:

My pleasure Steven.

### **Conclusion**

---

When the key central banks are committed to doing whatever it takes for as long as necessary to support the economy. It suggests that both a rate cut and more quantitative easing should not be ruled out.

With this market environment, some investors may want to diversify their portfolio into the minerals industry. The relevant expertise, relationships, and insights are required to have successful outcomes.





# Contact Us

---

*For assistance, feedback, and collaborative opportunities, please feel free to contact us.*



---

Steven Tsui  
Director  
HNWI Private Limited

+(852) 9438 2408  
+(65) 6871 8786

[steven.tsui@hnwi.com.sg](mailto:steven.tsui@hnwi.com.sg)  
[www.hnwi.com.sg](http://www.hnwi.com.sg)