In early 1981, Neal Rigby found himself tossing and turning, unable to sleep. The increasing tension in South Africa coupled with the distance from supportive relatives was proving too difficult for his family. His wife wanted to return to the U.K. Rigby feared it spelled the end of the best job he had ever had. He loved working for SRK, and he didn’t know how he was going to tell Dick Stacey, his boss and mentor for three and a half years, that he was leaving.

"I was devastated, because I was having such an amazing career — there was no job too big, too small, too complicated for this bunch of individuals," he says of SRK. "The people who were recruited around the same time as me were all such exciting individuals, totally professional, totally committed, and the mantra really was ‘work hard and play hard.’ It was an absolutely fabulous time. I was traveling all over Africa, getting involved in all sorts of things, and to have to leave was devastating."
There wasn't exactly a thriving mining industry. If an international client could not hire a South African company, contracts could be channeled through the U.K. entity that couldn't be done through SRK UK. South Africa was isolated politically; we needed a robust operating entity. For instance, there was a major mine disaster at the Anglo American diamond mines in Mufulira and working with caving expert Dennis Laubscher on De Beers diamond mines, I had unique experience working with them in the African mining environment.

In 1988, with the opportunity to be involved in the building of SRK UK and the pull of family back in the U.K., he followed Rigby in taking the difficult step of building of SRK UK and the pull of family back in the U.K., he followed Rigby in taking the difficult step of building the U.K. consulting practice. In essence, Rigby started to emulate what worked in South Africa with the symbiotic relationship between SRK and the University of the Witwatersrand. His university post was also a perfect position from which to develop the networks and infrastructure that ultimately created a useful springboard for SRK UK. For a while, the only SRK income that Rigby got involved in professional institutions because they added credibility and brought him contacts.

When he gave Stacey the news, Stacey replied: “We realise why you have to leave but really, we’d rather you stay connected to the company.” “It was fabulous,” Rigby says. “I was flabbergasted,” Steffen says. “We had about the biggest groundwater consulting group in the southern hemisphere at SRK South Africa, — the opposition and there was increasing violence in mid-1980. He worked under the mentorship of Steffen and Terbrugge in the mining geotechnics department. “Oskar and Peter taught me all there was to know about open-pit mining geotechnics,” he says. “Together with my five years in underground mining in Mulduria and working with caring expert Dennis Laubscher on De Beers’ diamond mines, I had an enthusiasm and understanding second to none. SRK provided the best mentors available. I relished my technical people, who told me what really happened, because I knew what they were talking about. I wasn’t a reporter getting the wrong end of the stick; I just the media the story. That sort of gave me a reputation for reliable expert opinions. It was a huge plus.”

In the end, the decision to leave SA was made easier by family reasons and the difficulties South Africa was facing, “he adds. “Towards the end of the 1980s, the apartheid reforms were unable to satisfy the opposition and there was increasing violence in South Africa. It wasn’t anything more than Bill’s Eastbourne post office box functioned as the original SRK UK office for most of the 1980s though, until some of our other former colleagues and organised a position for himself lecturing back at his alma mater in Cardiff. All that remained was to tell Stacey.

How do you develop business?” Connelly was particularly eager to see a viable U.K. office. “We had about the biggest groundwater consulting group in the southern hemisphere at SRK South Africa,” he explains. “Together with my teaching at the University of the Witwatersrand, I was able to develop relationships in all the mining companies. I used to get involved with advising the mines on students who would be good recruits. It was all conducive to developing the networks and infrastructure that could be channeled through SRK UK. A privileged position in the university, I was able to develop relationships in all the mining companies. I used to get involved in advising the mines on students who would be good recruits. It was all conducive to developing the networks and infrastructure that ultimately created a useful springboard for SRK UK. My university post was also a perfect position from which to develop a media presence by commenting on the mining industry. BBC Wales called on Rigby for radio interviews, and later the national BBC news put him on its Rosolos. “I had access they didn’t, and that gave me a profile,” he says. “For instance, there was a major mine disaster at the Anglo American property in South Africa. I got through first to Anglo’s PR people in London. They put me through to Johannesburg and I had a hotline to the engineering people, who told me what really was happening.” McCracken also saw the opportunity to return to the U.K. and further develop the SRK practice there, providing Africa-oriented mining consulting services to the U.K.-based mining companies. A Scot who had worked on the Zambian Copperbelt, McCracken had a short spell doing geotechnical contracting in the U.K. until he returned to Africa and joined SRK in mid-1980. He worked under the mentorship of Steffen and Terbrugge in the mining geotechnics department. “Oskar and Peter taught me all there was to know about open-pit mining geotechnics,” he says. “Together with my five years in underground mining in Mulduria and working with caring expert Dennis Laubscher on De Beers’ diamond mines, I had an enthusiasm and understanding second to none. SRK provided the best mentors available. I relished my experience working with them in the African mining environment.”

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across the country, including Johannesburg. I remember watching a rugby match at Ellis Park with Peter Terbrugge — a car bomb went off outside and blew the windows in. I got glass in my whisky. I didn't want to leave SRK. I had been involved with most of the international projects that had been done via the U.K. company as well as the plans to relaunch a new one in the U.K. company. The idea, as Terbrugge, Rigby and myself met in the Great Western Hotel at London Paddington to discuss the way forward, in July 1988, Kirsten oversaw the development of the first business plan.

Getting Off the Ground

The practice was set up as a limited liability company, and the initial directors were Rigby (MD), Kirsten (chairman), Steffen, Connolly and McCracken; Bruce Evans and within easy reach of the office; Rigby's university contacts had been built, London was just a two-hour trip away. The impetus that really got SRK UK off the ground was the unexpected recruitment of Bruce Evans to SRK UK and his immediate secondment to SRK SA. It was the unexpected recruitment of Bruce Evans to SRK UK and his immediate secondment to SRK SA.

Another old SRK friend, Roy Barfoot, a Swansea-based independent coal-mining consultant who had worked with the British Coal Board and consulted to SRK SA on a number of African coal projects, also let it be known he was interested in helping to build a U.K. practice. In early 1988, Rigby, Holt and McCracken met in the Great Western Hotel at London Paddington to discuss the way forward; in July 1988, Kirsten oversaw the development of the first business plan.

After graduation, Evans got his hands dirty at the mine face. He then rose through the management ranks before establishing himself as a world-class consultant. He understood what was needed by the financiers, the stockbrokers and the mine managers; he knew the value of being carried on the hands of your own staff. It was natural that he would call Steffen first when given the interest of the ex-pat Brits on staff in South Africa. Evans could lead the way.

Steffen and Kirsten recognised Evans's incredible value as a consultant. On top of his technical mastery, he had been in the boardrooms; he had made major mining decisions; he understood what was needed by the boards of directors, you used a different vocabulary — one of NPV and rate of return. SRK wanted to move more aggressively into the European market, especially outside Africa. Evans could lead the way.

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Evans told me he was still thinking about what he wanted to do and promised to let him know. Steffen walked to Kirsten's office: "Bruce just left Gencon. See if you can find out how he got it. He's interested in helping to build a U.K. practice."

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Evans understood balance sheets, public offerings and the world of high finance and risk. He had the ability to translate technical issues into financial consequences. There were some consulting companies that could do the technical modelling as well as SRK, but they lacked that extra ability and skill that Evans could provide — he could generate financial models and infer the proper implications of the data. When you were dealing with engineers, talking their language was important, and issues like tonnage mattered when you were talking to senior management and boards of directors, you used a different vocabulary — one of NPV and rate of return. SRK wanted to move more aggressively into the European market, especially outside Africa. Evans could lead the way.

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Cardiff’s First Woman Professional

In March 1990, Kate Harcourt was hired. She had been introduced via the SRK network, starting with Dave Morrey in SRK SA and on through her former colleague, Mike Johnston. She had finished her master’s degree in environmental technology at Imperial College in London and was living in Cardiff. At the interview, he didn’t interview environmental concerns were given the recognition they deserved by the mining industry and there was a considerable bias to overcome. She nodded. “How do you think you will cope when we send you out to a mine, there’s a grumpy old mine manager and you’re talking about environmental issues and he doesn’t really get any of that stuff? He just wants to get on with mining and there was a bit of a worry among the founding fathers about what the future might hold.” McCracken recalls a phone conversation with Kirsten to discuss the year-end figures when the question was posed: “Are you sure you haven’t left out any invoices?”

“1990, the practice landed its first game-changing project. This was the Lisheen lead-zinc deposit discovered in April 1990 in North Tipperary, Ireland. The property was initially owned by Ivernia Resources and SRK was hired to carry out the site investigation for the mining market and our limited profile therein,” says McCracken. “Unfortunately, the property was later bought by a subsidiary of Anglo American, Anglo Base Metals, and SRK UK continued to undertake many design aspects of the mine development.

Facing the Competition/Landing Work

For the first year, McCracken says, “the office only bumped along. Evans’s work via his contacts and his work on Selkirk in Botswana, Rigby’s U.K. coal-related work and my geological work brought in £200,000.” McCracken adds. “Unfortunately, the client was not as robust as we thought, and at least half of that was written off. We ended up just keeping on our hunting and fishing and there was little other work on order.”

Other key people during that developmental stage in Cardiff included Martin Potts, now a mining analyst in London, and Declan Costelloe, now a mining advisor based in Denver. At one low point, Steffen came over to the U.K., said McCracken, “I've stolen your passport and hidden it and you can't go back to the U.K.” Harcourt loved the warmth in spite of the lingering scent of a male fraternity: “There weren’t many women in the office.” That changed in time. But she loved the Friday afternoons get-togethers, which replicated in Cardiff, though they hadn’t yet matched the gusto of those in Johannesburg. Steffen charmed her. “Whenever I saw him in the future, I would say, ‘It’s me again, like that bad penny. I keep turning up!’”

It was always lovely to see him. Harcourt remembers that “the SRK name was quite new in the U.K., and I remember lots of meetings, often a meeting at Cardiff Golf Club and explained the design aspects of the mine development. The property was initially owned by Ivernia Resources and SRK was hired to carry out the site investigation for the mining market and our limited profile therein,” says McCracken. “Unfortunately, the property was later bought by a subsidiary of Anglo American, Anglo Base Metals, and SRK UK continued to undertake many design aspects of the mine development.

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The recruitment of Mike Armitage was strategic. “Until then we had been operating without a recognised resource specialist,” McCracken says. “That was the formalisation of our geology and resources department.” By March 1992, the staff complement in SRK UK had grown to 13. With the growth, the firm moved around the corner to Windsor Place, the second of four offices within 100 yards of each other. It was then that Iestyn Humphreys, yet another Cardiff graduate, joined. “There still wasn’t that much work,” he remembers. “Mostly, we were trying to establish relationships and find work. You came into the office in the morning and the first thing people did was look at the fax machine, cut the paper of and sift out specific requests.” It was the ongoing Lisheen contract that prompted Connelly to ask James Dodds, another ex-pat hydrogeologist, to move over from South Africa. Connelly followed later to establish a hydrogeology department and Linda Broughton from Canada, and John Cowan and John Chapman in the mineral processing and mineral economics departments.

Looking Farther Afield

Surprisingly, one of Rigby’s former classmates proved to be a conduit for work in South America. A Peruvian who attended Cardiff through a funding agreement with the university, Rigby organised a research grant for someone to do market research in Peru, and that led to a working relationship with SVS. As a result, SRK was hired by the National Rivers Authority, forerunner of the Environmental Agency, to tackle the top dozen most-polluting old coal mines in south Wales. The abandoned mines and works filled up with water, which became acidic and seeped or ran into the local waterways. This later led to design and construction supervision for a number of mine-water treatment schemes across the U.K.

“SRK undertakes Uranium underground projects to review assets & reserves of BNFL, British Nuclear Fuels, and British Coal for Barclays Bank. SRK retains ~60 contractors and is the catalyst & resources department and is the catalyst & resources department.”

The old pals kept in touch, and when Rigby returned to Cardiff to teach, one of the people who came to study under him was Samaniego. Through his work at the university, Rigby organised a research grant for Samaniego to do an M.S. thesis under him. “It was unusual. It was the ongoing Lisheen contract that prompted Connelly to ask James Dodds, another ex-pat hydrogeologist, to move over from South Africa. Connelly followed later to establish a hydrogeology department and Linda Broughton from Canada, and John Cowan and John Chapman in the mineral processing and mineral economics departments.”
most foreigners and their investment dollars away. The capture of its leader, Abimael Guzmán, in 1992 halted much of the violence, and international capital and foreign mining companies were again seeking to exploit the country’s resources.

“It was mutual interest that brought us together,” Soldi says. “Neal called and said we could give them a hand with some of the things they wanted to do, because they needed local support. We were interested in getting some help from them. Environmental legislation was just being enacted in Peru and we had very little experience with that. That was how we started doing work with SRK UK — on a project-by-project basis. Initially, we had people from the U.K. in Lima, but soon there were people from Denver and South Africa.”

Harcourt was the first to go over. “Antonio and I went out visiting mining properties, and we were greeted with open arms wherever we went because there were so few Westerners working there,” she says. “We got quite a lot of work out of that because of their newly enacted environmental legislation and the lack of capacity within the country.”

Two years after SRK UK began working in Peru, however, in 1994, Rigby was forced to terminate the informal alliance that had been established. NCL, a Chilean firm that had become SRK’s partner in a South American joint venture, saw the association with SVS as being incompatible with the longer-term plan on the continent.

British Coal

The Lisheen job gave the U.K. office financial breathing room and introduced it to London financiers, brokers and mining industry executives who could almost see SRK’s success across the Irish Sea. Evans’s contacts with Barclays proved instrumental again, with a significant recommendation for a monumental project — the due diligence work connected with the 1994 sale of British Coal.

The project was unprecedented for SRK. Evans and Rigby first met with Barclays in London to discuss a potential mandate. Along with Barfoot, they then visited RJB Mining in Harworth, near Doncaster. The concept was that SRK would do the due diligence for RJB Mining. It was only during the journey back that it dawned on the three of them that with such high-profile financing, there arose the question of who would undertake due diligence for the lenders and equity investors. Maybe this was the best role for SRK Rigby was in the office on the Saturday morning. He conveyed his concern first to RJB and subsequently to the lead transaction advisor for the investment banks. All appreciated the wisdom of his suggestion, so SRK switched horses and worked for the financiers.

Created in 1946 to manage the mines taken over by the government during the First and Second World Wars, the National Coal Board had been given a new name by the Conservative government of Prime Minister Margaret Thatcher and was finally privatised in 1997. The U.K.’s coal industry had been in a nosedive for years, with mine closures starting in the 1960s — first in Scotland, then in northeast England and Wales. By the 1980s, subsidised coal from Europe and cheaper coal from just about everywhere else had all but buried the industry. The historic British miners’ strike of 1984–1985, so crushed by Thatcher, decided its fate.
SRK’s work required about 60 independent contractors in all. It rented another floor in the Cardiff building to conduct the independent review for Barclays Bank of the assets and reserves of British Coal. SRK’s voluminous report formed the technical and economic basis for a loan of some £500 million to RJB Mining, and for RJB to raise another £400 million on the London Stock Exchange to acquire approximately 80 percent of the assets of the company.

**HARCOURT:** "IT WAS AN ENORMOUS PROJECT"

"We employed lots of people who'd worked in the coal mines all their lives — they had the coal knowledge that traced its roots to Roman times was officially nationalised in 1946. When the Coal Industry Act 1994 was passed — merging the remaining mining operations with RJB Mining to form UK Coal plc — there were only 15 pits in production."

"That work was a very, very high-profile mandate," Rigby says. "It really set up SRK UK. We recruited, we grew — largely because the company demonstrated a capacity to provide high-level, independent advice. We developed a reputation and got brand recognition as a real, credible, honest advisor. We weren't overly optimistic, we weren't overly pessimistic; we said it as it was. We developed a very strong reputation with the international financing and investment community." Rigby thought the British Coal due diligence work helped to set SRK apart from the consultancy competition and established it as the go-to firm for mining financial services: "I think feeling equally comfortable at the coal face, equally comfortable with investment bankers on the 60th floor of whatever building it is in Hong Kong or London or Toronto was a special characteristic or quality that SRK developed. We had all the technical skills, but we could also apply those technical skills in a financial context to determine what needed to be done with the assets to enable them to access finance."

In many ways, SRK UK’s move into financial services set the stage for the entire company to reinvent itself. Rigby adds: "In the first 10 years, SRK was into mainstream mining. We started off in rock mechanics, geotechnics and tailings, and then slowly but surely developing mine planning skills, developing water-management skills, developing environmental management skills. Over that decade we were very much technocrats. I think maybe over the next 10 years there was a change; we brought in the financing side of things."

"The firm became the go-to experts when companies or financiers wanted independent project-wide audits prior to an acquisition or merger, or before making major capital commitments. They also turned to SRK to supplement their own in-house evaluation teams, given the company's experience, vision and demonstrated ability to innovate in the quest to find and guarantee value."

"If you look at the South African practice, you have the entire South African gold base within 50 or 75 kilometres of the city limits," Humphreys says. "SRK UK doesn't have a mining industry on its doorstep. It was our relationship with work to rely on. It was our relationship with work through financing in London that sustained us."

Armitage logged a lot of miles on the M4, crossing back and forth over Second Severn Crossing, shown below; driving to London for a meeting, then back to Cardiff to prepare the next draft section, then back to London to present and brief on next steps.
PROFILE: Geoff Ricks

Geoff Ricks was born in London, England, and graduated with a BSc in botany from the University in Nottingham, where he also completed a PhD in plant ecology. This was followed by primary research in South Wales, investigating the effects of air pollution on vegetation, and some four years in local government planning, primarily involving environmental issues. He then spent 10 years in the Middle East as a professor of environmental science before returning to the U.K. to resume a career as an environmental consultant, specialising in mining-related work. After working with SRK on a number of projects in the Republic of Ireland, including the Lisheen project, Ricks joined SRK UK in 1994 to develop an environmental group within the Cardiff office. Soon, he was working in Mongolia and Russia. “We also got involved in work in Saudi Arabia,” he adds, “which is where I’d worked originally as a university professor, and over four or five years SRK UK undertook pioneering environmental investigations and assessments for Ma’aden, the state mining company.” In 2004, Ricks left SRK for Rio Tinto, and since 2008, he has been an independent environmental and social consultant. His path has crossed with SRK’s on a number of projects. “I think those who initially joined SRK and have stayed with the company are a reflection of the quality of people Oskar, Hendrik and Andy chose, but also because they were smart enough to see that good people have to be given the freedom to develop their own technical and commercial groups — to do the things that interest them whilst developing the company. For example, within SRK UK, we had several small businesses operating within the overall business: different technical groups doing what they did best, but at the same time aware of each other’s capabilities and always on the lookout for opportunities for each other. That is a legacy of the way Oskar, Hendrik and Andy set up the company — everything is shared.”

Consolidation

The British Coal privatisation work gave the U.K. office the exposure and confidence to grow and attract good people. Team-builders and engineers who embraced the SRK ethos — such as Geoff Ricks, Rob Bowell, Neil Marshall, Richard Oldlorn and Martin Pittuck — joined in the mid-1990s. Connolly’s prediction that the U.K. office would attract ex-pat specialists looking to return to the U.K. came true, and Rick Skelton, Ian Brackley, John Miles and others were welcomed on board. “We almost caught Middleton and Kirsten, too!” he says. An office in Mansfield was set up in 1996 to service the remaining players in the U.K. coal industry. But the sector was moribund, and the little consulting work that was available depended primarily on traditional relationships. SRK UK closed the Mansfield office in 2001 but continued to offer a suite of services that set it apart from its competitors — resource evaluation, mining finance, due diligence and competent-persons reporting that incorporates all of the firm’s technical and environmental skills.


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