

"He insists that, even though he owns a football club, he is not extremely rich and doesn't have hundreds of millions of dollars in the bank"

Building a nest egg

TONY Sage, executive chairman of Cape Lambert Iron Ore Ltd, has not only fended off a tentative bid approach by Roman Abramovich's Evraz Group SA, he has also survived a threat to oust him and some big shareholders from the Cape Lambert board.

The attempt to boot him out came from Mihran Shemessian, a Dubai-based mining investor whom Australians call Mick Manynames because of the various different spellings of his surname on formal documents.

At one stage it seemed that billionaire Russian oligarch Mr Abramovich might derail a transformational deal Mr Sage had negotiated with China Metallurgical Group Corp – the sale of Cape Lambert's namesake magnetite iron-ore project in Western Australia's Pilbara for A\$400 million.

But that deal was completed and Mr Sage then passed on about A\$100 million of the proceeds to Cape Lambert shareholders – a well-received gesture because the international credit crunch was just beginning to bite hard.

Meanwhile, Mr Shemessian initially wanted to replace Mr Sage and his board colleagues because Mr Shemessian objected to Cape Lambert spending some of the Chinese cash on a project in Sierra Leone. However, Mr Sage was able to straighten out what he calls the "miscommunication", the two executives settled their differences and Mr Shemessian withdrew his request for a special shareholders' meeting and a boardroom shake-out.

Evraz remains Cape Lambert's biggest shareholder with at least 16% and says it likes the way the company is being managed and will stick with its investment.

In spite of seeing off the threats from Mr Abramovich and Mr Shemassian, Mr Sage still has no time to relax. He is one of the busiest managers in the mining business – for example, look at what he is up to in this month of June alone.

For one thing, he took over as executive chairman of Cauldron Energy Ltd, a uranium-focused company that emerged from the merger of Jackson Minerals and Scimitar Resources. Cauldron wants to raise A\$7.5 million for exploration work. Mr Sage boasts that with ten telephone calls he should be able to raise that in half a day.

His new role at Cauldron means Mr Sage now holds no fewer than four executive chairmanships – at Global Iron Ltd and at International Goldfields Ltd as well as at Cape Lambert and Cauldron.

International Goldfields (IGC) in March last year started negotiating a friendly takeover by Nkwe Platinum. But Nkwe, which is controlled by a South African black empowerment company, could not raise the necessary cash, so new arrangements had to be made. And this month Mr Sage announced the merger was off and instead Cape Lambert would sell its 15% stake in the Tubatse platinum project

in the Bushveld region of South Africa to Nkwe for A\$60 million.

This will leave IGC as a cash shell – something not permitted by the Australian stock exchange. So Mr Sage says we can expect IGC to make an acquisition very soon and he is working on that.

Meanwhile, with his Cape Lambert hat on, Mr Sage helped Mr Shemessian sell his 11% stake in the group this month. Mr Sage was able to find London-based institutional buyers for all the shares.

Mr Abramovich's Evraz still has its stake – Mr Sage reckons it is probably 19% of Cape Lambert but suggests the oligarch is too astute to just dump his holding on an unsuspecting market.

That's something for the future, but at present Mr Sage is helping Cape Lambert to put finishing touches to its acquisition of the assets of CopperCo Ltd which went into receivership last year. Mr Sage says this represents "a big logistical challenge" as people involved are in London and Queensland as well as Perth, Western Australia. Cape Lambert earlier this year paid A\$72.7 million for CopperCo's secured debt, which enabled it to put in its own receiver. To top that off, Cape Lambert is to pay A\$27 million for CopperCo's assets, which include the Lady Annie copper mine 120km north of Mt Isa.

And, incidentally, Mr Sage will be 49 on June 26. He says it will be the first time in eight years that he will be home with his family in Perth to celebrate his birthday.

This is because he spends about six months a year travelling, mainly on business. He points out that the various companies on whose boards he sits have projects in Argentina, Brazil, Chile, Greece, Kazakhstan, Sierra Leone and South Africa, as well as Western Australia. "And quite often governments we are dealing with don't want to negotiate with anyone but the boss."

Mr Sage also has his "fun" projects. His high-fashion magazine *Kurv* has just been successfully launched in the US. He also owns 49% of the Perth Fashion Festival and hopes to use his contacts to attract top models to the Australian town.

Then he is the owner of the loss-making Perth Glory football (soccer) club, which he hopes to turn around, and use to raise football's profile in Australia. He also has a tourist boat company, Goldrush Charters.

How can he possibly cope with such a workload? It helps that he can function after getting only four to five hours of sleep at night. When he's at home, every day except Sunday he usually gets up and does a 6km run before breakfast and gets to his office at West Leederville by 7.15am. Then he frequently stays up until midnight making telephone calls to countries where the working day has just begun.

He explains: "I am good at prioritising. I know what is important. I am good at delegating – I don't

go in for hands-on management. Mainly I make financial decisions. I have a great team around me. Most of my loyal staff have been with me since I started and I trust the people I employ."

Mr Sage was born in Gloucester in England but when he was eight his father, a civil engineer, moved the family to Australia. Mr Sage graduated in 1980 with his Bachelor of Commerce degree – majoring in finance and accounting – from the University of Western Australia.

After working for accountants Touche Ross & Co, he joined Great Equities Mutual (GEM) where he was a fund manager for 13 years. Helped by the Australian government's financial deregulation, GEM thrived – when Mr Sage joined it had A\$1 million under management and when it was sold in 1996 the total had risen to A\$1.8 billion. He recalls: "At one time we had A\$70 million a week coming in."

When GEM was sold he collected a lot of cash and planned to take six months off. He quickly became bored and was tempted back to work after being invited to look over a project in Romania. This led to Mr Sage helping to raise the finance for Gabriel Resources Ltd and to list it in Canada.

He was recruited by Gabriel's founder, Frank Timis, an entrepreneur who consistently is given a rough ride by the media, partly because in his young days he was convicted in Australia of heroin dealing. Mr Sage says: "Frank told me upfront about his conviction and how he had to support his family after they fled from Romania. The offence could not have been that serious because he never did jail time. We have



Tony Sage