

FINANCIAL POST

RCI Capital makes its pitch for aboriginal-themed mining funds

Company already raised \$180 million in Asia

By Peter Koven, Financial Post

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A Canadian asset manager announced the launch of two aboriginal-themed mining funds Tuesday that hope to raise \$1 billion each in an innovative effort to get aboriginal communities invested directly in the mining sector.

Vancouver-based RCI Capital Group Inc. announced the launch of the funds at the Prospectors and Developers Association of Canada (PDAC) conference in Toronto. They are probably the first mining-focused investments that have any kind of ethical mandate. Their goal, besides making money, is to drive economic activity in aboriginal communities, and give them an opportunity to get seriously invested in their own projects.

"Getting aboriginal assets going can create more wealth than almost anything else Canada can do," said Calvin Helin, an aboriginal affairs expert who launched the funds alongside RCI president John Park.

To raise money, the two men travelled to Asia, where they found plenty of willing investors in Chinese and South Korean sovereign-wealth funds.

"The Chinese disclosed to us that they're investing \$30 billion US in Africa, which is fraught with political peril, and only \$3 billion US in Canada. They'd much rather invest in an environment where the rules are very clear and very stable," Helin said.

RCI, which manages \$1.6 billion of immigrant investor capital, has raised an initial \$180 million for the funds from the Asian investors. It's now scouting Canada for more investors before the funds launch next month.

One of them is a standard Canadian Resources Opportunities Fund, which will focus on mining companies and development projects in Canada that emphasize aboriginal participation. The other one is principal-protected, and Park is hopeful it will draw in more risk-averse investors.

"We think the valuations to get into these deals will be lower than even basic market valuations. It is a way to pick a bottom," he said.

A big focus at the PDAC conference every year is aboriginal participation. Seminars focus on many issues: hiring, training, land-sharing and conflict resolution, among others.

Part of that process is finding creative new ways to get aboriginal people personally invested in the mining sector. These funds are the latest example.