

THE NORTHERN MINER

November 23, 2020 / GLOBAL MINING NEWS • SINCE 1915 / \$5.25 / WWW.NORTHERNMINER.COM



Serafino Iacono, Executive Chairman of Gran Colombia Gold. GRAN COLOMBIA GOLD

Natural resources entrepreneur Serafino Iacono shares 'know how' and 'know who'

GMS 2020 | Insights about Latin America and beyond

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For Serafino Iacono, executive chairman of Gran Colombia Gold (TSX: GCM; US-OTC: TPRFF), mining has been a passion that has driven his business career back to the early 1980s. In a broad-ranging discussion as part of the November Global Mining Symposium conference, Iacono spoke with Trish Saywell, editor-in-chief of The Northern Miner, from Colombia.

Though he's called Colombia home since 2004, Iacono was born in Italy. After his family moved to America, he spent his teenage years in New York, then studied business at NYU and finally embarked on a career in the mining industry as a 22-year-old, working

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in Honduras for American Pacific Mining. Those early years instilled in Iacono an affinity for the business of mining, and a love for Latin America.

Iacono's interests in Colombia over the

years have included oil, natural gas, pipelines, ports, electricity distribution, coal, industrial minerals, as well as gold and silver. As Saywell reminded the audience watching from across the globe, Iacono and his partners and investors have been directly or indirectly responsible for about US\$7 billion worth of investments into the Colombian economy over the course of the last fourteen years.

When asked about which of the ventures in Latin America he's most proud of, Iacono began by listing a couple of the projects in Venezuela.

“Some of the mines that we built in Venezuela we're very proud of,” he said. “Loma de Niquel is a mine that became one of the largest laterite nickel producers in Latin America, and I was with it from the beginning, until

NATURAL RESOURCES ENTREPRENEUR SERAFINO IACONO SHARES 'KNOW HOW' AND 'KNOW WHO', continued

we sold it to Anglo American. Another [is] Choco 10. One of the great moments, when we started hitting a second cycle of gold." Iacono eventually sold Choco 10 to **Gold Fields** (NYSE: GFI).

After several years working and learning from the likes of mine financier Frank Giustra and Brian Hinchcliffe, he decided the time was right to strike out on his own. It was 1989, and gold was trading at US\$200 an ounce.

"My God, I was just 29-years-old, [but] it was time for me to move on," Iacono recalled. "I started seeing an opportunity in the gold sector. There was a discovery of three million ounces of gold [in Venezuela]. In those days, three million ounces of gold was huge. So, we went in and started staking ground in the surrounding area. After a few months, this area became the hottest area for all the junior mining companies."

With the help of his friend Giustra, Iacono forged an alliance with Robert Friedland, brought in Ian Telfer as chief executive, and Venezuela Gold Fields was created.

The 1990s were a heady time for Iacono as he became involved with a number of mining companies. But as the new millennium began, he realized the need to leave Venezuela before the government of then-president Hugo Chavez nationalized mining operations (which eventually occurred at the end of 2007). He still owns a gold asset in Venezuela that contains roughly six million ounces of gold called Lo Increible 6, a project on which he and his associates had invested US\$35 million and that he hopes to get back one day.

"We have an expression in South America: Nothing lasts forever and nobody can resist that long," he told the audience.

This led to a period in Iacono's career that

saw him steadily expand his interests. He became involved in a gold mining project in his native Italy, on the island of Sardinia. He dabbled in the dot.com world, with Wave Telecommunications, a company developing an early version of cloud storage. And he acquired a small company called Gran Colombia Resources.

Since then, that company has evolved into Gran Colombia Gold, the largest underground gold and silver producer in Colombia. Saywell told the symposium viewers that four years ago it was trading at 75¢ a share, while today its stock is worth over \$6.00. With over US\$110 million cash in the bank, and trading at just two times EBITDA, she asked Iacono what the company's goals are for the future.

"Gran Colombia is a fantastic vehicle with multi-dimensional projects," Iacono replied. "One of the most important is the Segovia project. We are the largest producer right now in the country, with close to 250,000 ounces of gold this year."

He said that the company has one of the most important concessions in Colombia. What makes it unique is that Gran Colombia has title and ownership of what is called a 'king's right'. They are the owners of the land, which currently comprises over 35 sq. km, and they own the mineral rights (they pay a royalty to the government of Colombia).

"It is one of the oldest mines in Colombia. It is the number three, on grade, richest mine in the world. We produce an average of 17 grams of gold. And it's been producing between 11 and 17 grams for the past 150 years. It hasn't stopped. More than six million ounces of gold have been produced in the past. And the last million ounces we have produced since we took the mine in 2011."

The next plans for the company are to

grow its profile and, more importantly, to increase gold production.

"Our goal in Segovia is, within the next four years, to take production to 400,000 ounces."

Gran Colombia has also spun out its Marmato gold project in Colombia to **Caldas Gold** (TSXV: CGC), in which it now holds majority control. And it is taking stakes in companies with interesting gold projects, like **Gold X Mining's** (TSXV: GLDX; US-OTC: GLDXF) Toraparu deposit in Guyana, one of the largest gold projects owned by a junior mining company in South America. (Friedland joined the company in June as chairman.) It also owns a stake in **Western Atlas Resources** (TSXV: WA), whose Meadowbank gold project in Nunavut is near **Agnico Eagle Mines'** (TX: AEM; NYSE: AEM) Meadowbank and Amaruq mines.

Saywell mentioned that many people are envious of the contacts that Iacono has created over the course of almost four decades in the mining and natural resource industry, which include past and current presidents, high-ranking politicians (Gran Colombia has Hernan Martinez, a former Minister of Mines, on its board of directors), and leading business executives. And he offered a piece of advice based on his own success: "The 'know who' is just as important as the 'know how'."

Iacono also shared what he first learned almost 40 years ago when he landed in Honduras.

"If you go into a country, if you're going to be developing a business, you don't want to be a visitor," Iacono said. "You want to know everyday living, the politics, the good, the bad and the ugly. You want to be a resident, and that's what we do." ^{TNM}