# From Bond Street to Lexington Avenue for Sugar

2/6/2019
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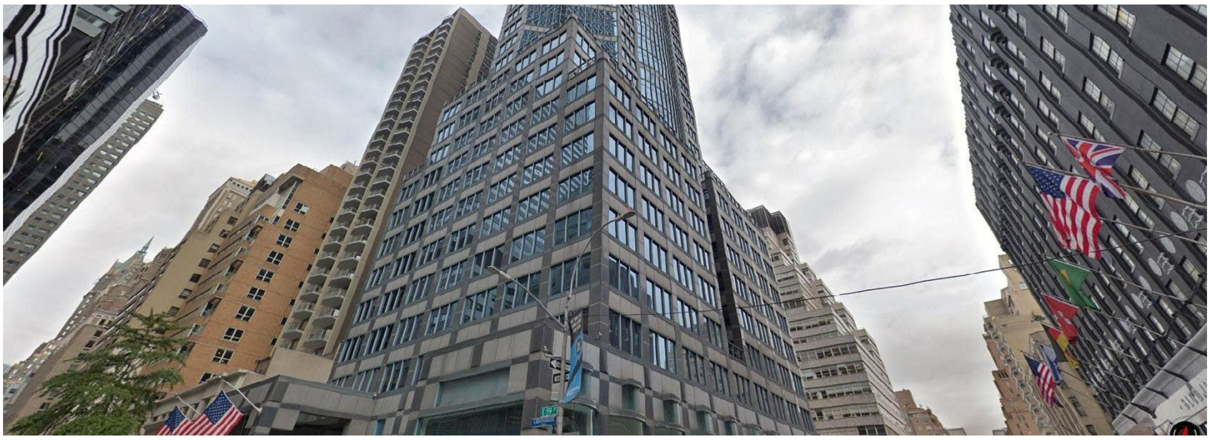

**Bond Street to Lexington Ave for Sugar**
At the height of the Global Financial Crisis a decade ago when the oft-quoted "too big to fail" theory disintegrated in the face of collapses by Wall Street giants like Lehman Brothers and Bear Sterns an ex floor broker from the Sydney stock exchange thought it would be a great idea to take the high-risk decision to establish a mining and energy corporate advisory and funding boutique in the middle of Manhattan.

Eddie Sugar had come a long way from running orders directly for Brent Potts

at Potts West Trumbull in Bond Street in the 1980s to his seat in a senior executive position at Jefferies & Co, one of the Wall Street banking houses to survive intact in the midst of the GFC carnage. From Potts West, he had rounded out his experience range by acting as the senior advisor for the family office of Melbourne retail entrepreneur, Solomon Lew, working with Marc Rich and running the New York international sales trading desk of Barclays de Zoete Wedd before alighting at Jefferies.

It was from that comparatively safe haven that Sugar decided to execute his plan to establish EAS Advisors as the go-to focus point for the international mining community.

Ten years later, EAS has grown to an office of eight professionals having completed US$6.5 billion of transactions in deals ranging in size from $5 million to $1.2 billion.

Those include his two landmark deals involving the assembly of much of the early stage US support for Andrew ‘Twiggy' Forrest's Fortescue Metals and his anchoring role behind the development of African Minerals before it was privatised by Chinese interests.

Sugar defends his decision to embark on something of a career change in establishing himself as the sole principal of a new venture in the middle of the GFC crisis. "In hindsight, I can see why it might have seemed to be an unusual time to launch but I think the move proved to be quite fortuitous," he told *Mining Journal*.

"The real answer is that there is no right time to make such a move. You just have to make the decision and do it.

"I think we discovered that if you can survive through a tough period in the market, it proves that you can always find capital for the right project if it is based on sound fundamentals and structured on appropriate terms. Flexibility is a key. Each deal has its own nuances."

Discretion, apparently, is also a factor.

An example of this is EAS's support of the ASX-listed Elk Petroleum, an $80 million market cap company which was looking to buy a $185 million US asset.

"It was a deal that was viable through the application of an innovative funding method. It took six months to put together and at no point was there a leak," Sugar said.

He stressed also that EAS had a track record built on many lessons learned and that some mistakes had occurred along the way.
*Eddie Sugar: "Each deal has its own nuances*"

It has provided the basis of his maxim that the structure of the team behind a project is paramount to what he looks for in getting behind a deal. "As important as the CEO may be, it does not stop there," he said. "There has to be a strong team from the engineer to the geologist and beyond. Everyone has to be aligned and have a complementary skill set. Each member has to know where he sits in the process.

"Also, it is crucial that each team is familiar with the materials they are dealing with and have executed successfully before. Gold mining is as different to lithium as lithium is to graphite."

Another important ingredient is matching the appropriate investment audience to the company type and size and the asset mix involved.

"It is crucial that each company knows where it sits in the cost curve and seeks to deliver on that basis," Sugar said.

He believes that many junior private companies seek to come to the public markets too early because it is what the brokers tell them to do.

"The early stage private companies appeal to a completely different shareholder base," he said.

"It is far better for this group to stay private and wait to come to the market when their projects reach a stage of maturity where they have established strong public company investment credentials."

So, 10 years in, what may be the next chapter for EAS?

"We would like to put ourselves in a position to take more of a merchant banking role," Sugar said.

That may be by setting up house funds to invest in areas such as special materials and new energy.

The objective will be quite straight forward. "The goal will be to achieve outsized returns by applying efficiency of capi**tal."**