

Modern-day Midas hasn't lost touch

McEwen looking for next, great Goldcorp

BY SHIRLEY WON, TORONTO

Rob McEwen is hunting for the next **Goldcorp Inc.**

The colourful mining entrepreneur, known for transforming Goldcorp into North America's fifth-largest gold producer before resigning as chief executive officer last year, has been snapping up stakes in junior miners exploring the Battle Mountain Cortez Gold Trend in Nevada.

"It's quite exciting," said the 55-year-old chairman and CEO of **U.S. Gold Corp.**, whose flagship Tonkin Springs project is located in the region. "What's important is that Cortez Hills — Placer Dome's discovery — is about 10 miles away."

Cortez Trend is also not far from Carlin Trend, where gold giants, such as Newmont Mining Co. and Barrick Gold Corp. — now in the midst of a takeover of Placer Dome Inc. — have some of their biggest mines.

"Placer Dome's Pipeline deposit is a very large gold deposit that is making everybody rethink their assumptions about this particular area — that this could be the next Carlin Trend," he said in an interview.

Mr. McEwen, who acquired a controlling 33-per-cent stake in Denver-based U.S. Gold last year, is using that company as his vehicle to build a junior exploration play that will appeal to institutional investors.

He has also acquired stakes in U.S. Gold's four Nevada neighbours, including White Knight Resources Inc., Coral Gold Resources Inc., Nevada Pacific Gold Ltd. and Tone Resources Inc.

"If you could create an investment vehicle that has the upside of a discovery, liquidity of a senior, and a balance sheet of an intermediary, you would have a very attractive junior exploration company," Mr. McEwen told reporters yesterday after a speech to institutional investors attending a gold conference in Toronto.

"In an ideal world, I would like to see them all rolled together into one company," he said.

While U.S. Gold trades on the high-risk, Over-the-Counter Bulletin Board in the United States, Mr. McEwen's goal is to seek a listing on the Toronto and American stock exchanges this year.

Mr. McEwen's \$45-million (Canadian) spending spree through privately held McEwen Capital has been taking place since he led the merger of Goldcorp with Wheaton River Minerals Ltd., and handed over the reins of Vancouver-based Goldcorp to Ian Telfer last year. Mr. McEwen resigned as its chairman last October, but still owns a 2.5-per-cent take in Goldcorp.

Besides Nevada-focused companies, Mr. McEwen's investment stakes — ranging from 12 to 50 per cent — include juniors, such as Guyana Goldfields Inc., Lexam Explorations Inc. and Minera Andes Inc. as a diversification move.

His interest in all the exploration companies has helped to light a fire under most of those stocks.

"Junior companies are one of the best places to put your money, but it's got high risk," said Mr. McEwen, a well-known bull on gold. "You need a high tolerance for risk, but I think you'll have very big returns."



FRED LUM/THE GLOBE AND MAIL

Rob McEwen, who attended a gold conference in Toronto yesterday, says junior firms are the place to be — if you can handle the risk.

He repeated his prediction that he expects the price of gold over the next three years to test its old high of \$850 (U.S.) an ounce, and then go "significantly higher" in a

classic end-of-cycle mania.

The yellow metal hit a 25-year peak above \$550 recently in New York. Gold closed yesterday at \$544.50.