

Gold bug bets lightning can strike twice

But this time Rob McEwen, ex Goldcorp CEO, is focusing on the riskier junior mining sector

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He stops just short these days of calling himself the ultimate gold bug, but regardless, when Rob McEwen speaks about bullion – or just about anything else for that matter – everybody listens.

When he and Sprott Asset Management announced a \$6 million investment in Vancouver's Freegold Ventures Ltd. three weeks ago, shares of the junior explorer hit a 52-week high on the TSX and trading volumes soared almost 300 per cent.

That's what happens when the colourful founder and ex-CEO of Goldcorp Inc., the world's lowest-cost million-ounce producer, takes a shine to your company. But the new folks running his former venture know the flip side of that gold coin.

McEwen was once the Vancouver-based gold miner's largest individual shareholder with 1.5 per cent of the company. But he finally cut the cord completely a few months ago when he sold off all his Goldcorp shares after losing a bitter court battle last fall to stop Goldcorp from taking over Glamis Gold Ltd.

He argued the takeover would eventually weaken the company he originally grew on a hunch that Red Lake in Northern Ontario was, well, a gold mine. When it comes to investing these days, McEwen is not on the current bandwagon of bigger is better, preferring the riskier junior sector and the piles of cash that can be made picking a winner.

Ever the optimist, he thinks lightning can strike twice but this time he's banking on Nevada, with exploration on property sandwiched between big guns Barrick Gold Corp. and Newmont Mining Corp. The bullion magnate and philanthropist is also hedging his bets with pursuits in energy and bio-medical research.

The Star sat down for a chat with him at Le Royal Meridien King Edward Hotel after the annual meeting of his latest venture U.S. Gold Corp., where he spoke to a packed ballroom of investors eager as always to hear what he's thinking.

Sipping a beverage and energized as always, the 57-year-old marvelled at both California "Governator" Arnold Schwarzenegger's career and at the hollowing out of Canada's mining sector.

And sorry gold bugs, he thinks gold's peak is coming sooner than you might think.