

CANADA VENTURE: Longview's Venture Perspective

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VANCOUVER (Dow Jones)--When Damien Reynolds cashed in his chips in Tournigan Gold Corp. (TVC.V) after turning the company around earlier this decade, he went to work setting up a global resource group that starts up and develops junior exploration and mining companies.

The chairman and chief executive of what's called Longview Capital Partners Inc. (LV.T) - it graduated to the Toronto Stock Exchange last September - is now sitting on a large portfolio of Venture-listed companies, some of which are on the verge of graduating to the senior exchange as well.

This clearly gives him a unique vantage point when looking at the venture market itself, especially in light of what's been happening since the credit crunch hit last summer as the subprime-lending market took a fall.

"The venture market in Canada is suffering from a lack of leadership...and if something like the subprime crisis comes along, that means the game has changed and the trend will be generally down," he said. "The venture market is, by definition, more of a speculative market, but I think the global economic situation is good to great, and that the macro picture for mining and metals is spectacular."

Having said that, he said the venture market will probably tread water for the first six months of this year, if not the entire year, which makes running these junior companies a challenging task.

"But the fundamentals, in terms of economics and the prices of commodities, are going to favor junior companies in the mid-term...three to five years out," he said.

The reasoning is straight-forward enough; senior miners are sitting on large operations that will start to dry up within five to eight years, meaning the hunt for more inventory will soon heat up. In other words, consolidation is coming as the seniors look for more assets.

As for Longview itself, Reynolds said the next six weeks or so should be interesting as a number of the companies in its portfolio come to the market with news. This is the culmination of creating a number of companies, such as Buffalo Gold Ltd. (BUF.U.V), MacArthur Minerals Ltd. (MMS.V), Oriental Minerals Inc. (OTL.V) and Nevada Copper Corp. (NCU.T).

Resource Mining Is The Focal Point For Longview

"Longview is basically a hard-rock mining-investment house, from exploration through development and production," he said. "We primarily focus on creating the companies that we then take public and work to develop with operational management."

He said Longview contains a group called Longview Technical, which is made up of 43 geoscientific people around the world, who cover off on all things from prospecting to environmental remediation.

"We focus on the creation side because it gives us maximum return for our dollar," he said. "And we have the ability to realize that because of our experience on the financial side coupled with our technical side."

He said about 30% of Longview's companies are exploration-based, 60% are in the development stage and 10% are operational.

"We're fortunate, although the market doesn't love much of anything right now, to be having a core to our portfolio of some companies that are developing some very attractive assets," Reynolds said.

Oriental Minerals, for example, is sitting on what could be the biggest tungsten deposit in the world, he said. Another company called Cue Resources Ltd. (CUE.P.V) should have an attractive resource calculation coming out of its Yuti uranium project in Paraguay, which has already seen investment come from Cameco Corp. (CCJ).

Waratah Coal Ltd. (WCI.V) has a 2.1 billion metric ton coal deposit in Queensland - a deposit that will probably go over 5 billion tons, he said.

"And you look at what Nevada Copper has done in defining 8 billion pounds of copper in situ," he said. "There's (further) exploration potential all over the project."

While these make up much of the development side of the portfolio, there are also exploration companies.

"These are disproportionately hurting right now because they can't attract the speculative money; there's no rosy horizon to speculate into and they don't have the benefit of (having) assets like the development and production companies do to defend their value," he said.

This would include companies such as Pencari Mining Corp. (PMC.V) and AMI Resources Inc. (AMU.V), he said.

"But with AMI, we're very excited about their drilling prospects," he said, referring to the junior's Ghana gold project.

And while these are the public companies within the portfolio, there are also a handful of private companies, some of which could go public in the second half of 2008. Because they're private, Reynolds didn't want to be too specific, but said there's a base-metals company in B.C., a copper company in Mexico and a gold company in Tanzania that could soon be in the public eye.

Company Web Site: <http://www.longviewcp.com> [<http://www.longviewcp.com>]
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