

Casey Research selects next generation of 'resource stars'

BY TRISH SAYWELL

Independent investment advisory firm Casey Research has published a list of the next generation of men and women to watch in the resource sector who are still under the age of 40.

The top 10 up-and-coming resource stars were drawn from four different categories: geologists and engineers; lawyers and accountants; entrepreneurs and promoters; and investment bankers.

The final list — called the "Next-Ten" — took the research firm in Stowe, Vermont, a year and a half to complete and used a variety of criteria. "The concept is we wanted to filter it down to the very best 4% in our universe in the junior exploration game," explains Marin Katusa, a senior investment strategist at Casey Research who spearheaded the effort.

The finalists were selected on several metrics including the amount of money they had raised; the returns on investment they had earned shareholders; as well as other indices such as growth and market capitalization of their companies.

Casey Research believes the list offers its subscribers a chance to make a profit by following the careers of the next generation of "superstars" in the resource industry. "The next Ross Beaty, Lukas Lundin and Robert Friedland are out there and we'll find them," the Casey Research team declares in the introduction to its list.

Topping the list in the No. 1 spot is Kevin Bambrough, 39, the president, chief executive and director of **Sprott Resource** (SCR-T). The research firm described Bambrough as a "rock star" pointing to his successes at Sprott, including a \$55-million investment into PBS Coal, which he later sold for a profit of \$185 million. Bambrough also created One Earth Farms Corp., which he financed with \$2.7 million of capital from Sprott Resource. The company has a partnership with various First Nations in Canada and relationships with key agriculture companies, and Casey Research believes it "has the potential to grow into one of the largest corporate farms in the world." Bambrough was also a driving force behind the success of Sprott Resource, Casey Research argues, pointing to that company's surge in market capitalization from \$15 million to over \$425 million in just two years.

Brian Dalton, at 36 the president and chief executive of **Altius Minerals** (ALS-T), claimed the No. 2 spot. Dalton launched his first company (a prospecting and exploration company) while studying at Memorial University in Newfoundland. In 1997 Dalton set up Altius Minerals — a project-generation and royalty company that has driven about \$100 million of direct

and indirect investment into Newfoundland and Labrador. He also delivered value to shareholders. In 2005 Altius, which had a 50:50 uranium joint venture in Labrador at the time with Fronteer Development Group (now **Fronteer Gold**) (FRG-T, FRGX-X), restructured the arrangement to create Aurora Energy Resources, a pure uranium company. By October 2007 Altius had sold its equity stake in the company for more than \$200 million and retained its royalty position. Says Katusa: "Dalton invested about \$600,000 to stake, explore, and develop the Aurora deposit and then he spun it off for over \$150 million."

Pat DiCapo ranks third on the Casey Research list. In 2003 the graduate of Osgoode Hall Law School founded **PowerOne Capital Markets**, a merchant bank with a special interest in junior resource companies. Since then PowerOne has been involved in 170 corporate finance transactions and raised over \$1 billion for its clients, the report says. Among other things he was involved in the formation and financing of Aurelian Resources, which was eventually sold for \$1.2 billion to **Kinross Gold** (K-T, KGC-N) in 2008. DiCapo has also helped **Lithium Americas** (LAC-T, LGC-N) raise roughly \$12 million. "He's a big player in the resource sector and raised over \$1 billion dollars just in 2010," Katusa says of the 36-year-old. "He is the only lawyer who made the list."

Taking fourth spot is 32-year-old Amir Adnani, founder of **Uranium Energy Corp.** (UEC-X). When Adnani first crossed Casey Research's radar screen, the company he created was trading at US\$25c a share. Six months later the stock had surged to US\$3.75. "He is without doubt the best presenter in the business," Katusa says, adding, that if Adnani ever sells Uranium Energy, he wants to know the entrepreneur's next deal, because "the one thing we've learned is that these successful entrepreneurs are seriously successful and they do it over and over and over again."

Thirty-four year old Kevin Campbell and his partner at Haywood Securities, Nicole Adshead-Bell, claimed the fifth spot on the list of up and comers. Campbell and Adshead-Bell worked together at Haywood Securities and focused on mergers and acquisitions assignments and equity/debt financings for exploration and producing resource companies. The pair worked as advisors on projects totaling over \$1 billion and included the \$11.4-million merger between Geoinformatics and Rimfire that led to the creation of Kiska, and raised over \$10 million, as well as **Lundin Mining's** (LUN-T) \$960-million acquisition of Rio Narcea Gold Mines. Adshead-Bell left Haywood recently

to take some time off, but Katusa says he's going to pay very close attention to where she ends up because of her incredible track record. "If she ends up in the junior resource sector," he says, "we will definitely want to own shares in her company."

Sixth place went to Jorge Ganoza Durant, 40, a fourth-generation miner and a geological engineer who has built over four successful mines, including for **Fortuna Silver Mines** (FVI-T). "The margins on the four mines he has built have been incredible and he's been in this since his early twenties," Katusa says. Ganoza Durant's father, brother and uncle are all in the mining business. "It's an interesting thing when you see it's in their blood," he adds.

Seventh and eighth spots went to the sons of mining legends. Morgan Poliquin, 38, and Govind Friedland, 38. Morgan's father, Duane Poliquin, set up **Almaden Minerals** (AMM-T, AAU-X) and Morgan joined him in 1996, taking the company "to a whole new level." Casey Research states in its report. As for Govind, he is the son of Robert Friedland, and within a year of starting his uranium and gold company **Govi High-Power Exploration**, he had raised about \$100 million. **GoviEx** has staked ground in Nigeria in the Arlit basin and in 2008 **Cameco Corp.** (CCO-T, CCI-N) took an 11% stake in his company for about US\$28 million. "The amount of money he has raised is phenomenal," Katusa says. "He has really proved up some very big pounds. That company has been an absolute big, big, success for his investors."

Finally, ninth and tenth spots went to Nolan Watson, 31, and

Casey Research's top 10 under 40

1. **Kevin Bambrough:** president, CEO and director, Sprott Resource; president, Sprott Inc.; director, Sprott Asset Management; president, CEO, director, Sprott Consulting.
2. **Brian Dalton:** president, CEO, and director of Altius Minerals.
3. **Pat DiCapo:** managing director, PowerOne Capital Markets; director, Exempt Market Dealers Association; director, Petrolifera Petroleum; chairman, governance committee, Petrolifera Petroleum.
4. **Amir Adnani:** president, CEO and director, Uranium Energy Corp.
5. **Nicole Adshead-Bell and Kevin Campbell.** Adshead-Bell: formerly vice-president investment banking, Haywood Securities; director, Association for Mineral Exploration British Columbia. **Kevin Campbell:** vice-president investment banking, Haywood Securities.
6. **Jorge Ganoza Durant:** president, CEO and director, Fortuna Silver; geological engineer.
7. **Morgan Poliquin:** president and chief operating officer, Almaden Minerals.
8. **Govind Friedland:** president and CEO of Govi High-Power Exploration, a private company.
9. **Nolan Watson:** president, CEO and director, Sandstorm Resources; director, Gold Wheaton Gold Corp.
10. **Robert John McLeod:** director, Underworld Resources, acquired by Kinross Gold; director, Keegan Resources; director and vice-president exploration, Full Metal Minerals; director, Revolution Resources, (formerly Nuukfjord Gold).

Robert McLeod, 39. Watson joined **Silver Wheaton** (SLW-T, SLW-N) as a controller and by the age of 26 had become the youngest chief financial officer of a New York Stock Exchange-listed company. Two years later, Nolan was part of a team that raised more than \$1 billion in debt and equity for Silver Wheaton's acquisitions. In 2008 he left Silver Wheaton to start a company of his own called **Sandstorm Resources** (SSL-V) and raised \$47 million the following year. The junior's share price

has nearly quadrupled in the last two years.

McLeod started **Full Metal Minerals** (FMM-V) to restart the Lucky Shot mine in Alaska in late 2006. In March 2010, McLeod, a director of Underworld Resources, was part of the team that sold that company to Kinross Gold for \$139.2 million, delivering huge gains to shareholders. He is also involved with **Keegan Resources** (KGN-T), whose stock has jumped nearly 1700% since its bottom in October 2008.