

# BUSINESS

BY CRAIG WESTCOTT

The Express

According to London's *Sunday Times*, he is the third or fourth richest man in the United Kingdom.

With a net worth of some \$444 million pounds (about \$1 billion Canadian), Harry Dobson is a bit of a legend and certainly a man to be reckoned with.

He is also a friend and business partner of Brian Dalton, the president of St. John's-based Altius Minerals Ltd. That was the reason Dobson and some other senior financiers, including the redoubtable raconteur George Milton (a former vice president of Midland Walwyn), made a quiet visit to Newfoundland last week, checking on their "new" mining project near Baie Verte and paying a call on Natural Resources Minister Ed Byrne.

For a man with a stable of 40 race horses, mansions in Dublin, Scotland and Vancouver, and a keen eye for making a cool buck in the mining business, Dobson is a down-to-earth bloke.

With no university degree, or by his own admission, "formal qualifications," the Scottish born Dobson is truly a self-made man. While he made headlines around the world earlier this year for selling his stake in the Manchester United football club, he is better known in financial circles for his ability to spot seemingly worn out mines that really have years of low cost production life in them.

Dobson has worked all over the world, but it's been in Canada where he has made his fortune and his reputation. He moved to this country in the 1970s and went to work in the mining division of Yorkton Securities. In 1986, he formed a partnership with the well-respected Brian Hinchcliffe, and bought American Pacific Mining for about \$20 million. Three years later, after rejuvenating the company, they sold it for \$174 million.

After that, Dobson helped found Breakwater Resources, one of North America's biggest zinc producers, and with Hinchcliffe, also bought the assets of what appeared to be a defunct mining camp at Kirkland Lake, Ontario. The duo found more gold reserves and turned their company, Kirkland Lake Gold Inc., and the region, into one of Canada's hottest gold plays.

Now the pair, along with fellow Kirkland Lake Gold director Milton, are teaming up with Dalton, hoping to find a similar measure of success at the old Rambler mine near Baie Verte.

Earlier this year, Dobson, Hinchcliffe and Dalton founded a new company, Rambler Metals and Mining, raised \$18 million — much of it from European institutional investors — and listed it on the AIM Market of the London Stock Exchange.

Rambler Metals is in the process of drilling 28,000 metres of ground this summer, making it one of the most ambitious



Craig Westcott/The Express

Some of the principals behind an effort to rejuvenate the old Rambler property outside Baie Verte as a major copper mining camp met in St. John's Friday after spending the earlier part of the week on the Baie Verte peninsula. They include, from left, Brian Dalton, president of Altius Minerals, Harry Dobson, chairman of Kirkland Lake Gold, and veteran mining industry investor and financier George Milton.

## Turnaround artist

*Harry Dobson has made a fortune rejuvenating old mines. Now he wants to do the same in Newfoundland*

drilling programs in Canada this year. The aim is to find enough copper reserves to make the camp worth mining again. The last mine there, Ming, closed because of a property dispute, not because of a lack of minerals. There are also good showings of gold throughout the property, meaning that if a copper mine is deemed feasible, the revenues derived from the gold will offset some of the production costs.

Another thing going for the project is the land position. Dalton's Altius Minerals consolidated all the ground in the area several years ago. For its geological work, and mineral rights to Rambler, Altius has picked up a 30 per cent stake in the new company.

As Dalton himself admits, many people in the Baie Verte area are hoping this summer's drilling program will prove a mine is feasible. The future of the project could be known by this fall. Meanwhile, Dobson, being the born promoter that he is, rates its chances as very good.

*The Express* sat with Dobson, Milton and Dalton on Friday over coffee and tea at the Battery Hotel in St. John's. Here's part of that conversation:

**Mr. Dobson, I want to talk to you about Brian Dalton. How important are relationships in this business?**

Relationships are terribly important, particularly in the mining business. There has to be a high level of trust. I'd known of him for quite a long time and I'd never heard any doubts (about him). His reputation in the business is very, very high indeed.

He's just been a really hard-working guy who has chosen to build up his business here (in Newfoundland) which has impressed everybody, because this probably wouldn't be the easiest place in the world to build an entrepreneurial mining business. But he's done very well here.

He's very well thought of in London. He's got a very sound institutional shareholder base now, and they are good names, good banks. And so he'll find that as he goes along and his projects get bigger, that he'll have no difficulty whatsoever finding the large capital to do projects, none at all.

**Mr. Milton, why were you attracted to the Rambler project?**

Actually, I bought Rambler (shares) 30 years ago when they just had the Ming Mine. I was involved as an investor when they made the original Ming discovery. So I was familiar with the project.

And then I saw a couple of (new) drill holes (from Altius), in the continuation of the main Ming zone, and then there was a footwall zone, and it was volcanogenic, and in theory this should lead to where the concentration of mineral is and the bigger the area of lower grade material, the bigger the area of massive sulphides. So this is a very big system. If the model stands up, this should be very big.

**Mr. Dobson, we're at the height of a strong cycle for metals right now. Will it last long enough for Rambler to**

**go back into production, assuming you find enough reserves?**

There's going to be hiccups along the way. There always is. But effectively you have several billion people (in China and India) who are emerging into some measure of economic activity and you're going to have some percentage of that emerging into a middle class and they're going to want middle class things. They're going to want cars and television sets and DVDs. They're going to want decent housing and furniture and nice things and they're perfectly entitled to get them. So that is going to require a commodity-based market. It's been neglected for many years. We've had 20 years of not much development going on worldwide.

**Are you looking at other projects in Newfoundland?**

We always look at everything. We're looking at several possibilities here...

If you just look at the level of exploration and development activity in Labrador and Newfoundland in the last 25 years, has probably been zero and yet you've had the biggest nickel discovery in God knows how long in Voisey's Bay and there was no back-up, nothing else happened really. It should have been. You've got all this offshore activity going on. OK, it's taken 20 years to build up to this level, but that is going to be huge too, I know it's going to be huge.

There are people rolling around all over the world looking for unexplored basins. There's apparently 20 or 25 still

unexplored here in Newfoundland waters. There's an immense amount to be done here.

**Getting back to Rambler, it's hard to imagine doing anything there that could hurt the environment more than has already been the case. Will that make it easier for you to get environmental approvals?**

Because it is a brown field site, it's very useful. I'm not saying you can take short cuts, but there are certain things that you don't have to re-do. So it would be sort of an accelerated re-start to production. But it would be very difficult at this juncture to give an estimate of time.

**Will you have to go back to the capital markets to raise money to start production, if you determine it's worth mining?**

Again it would depend. You sort of make these decisions as you go along. We will make a decision about how production should be funded when that decision needs to be made. But there is quite a large pool nowadays of private capital that does look for projects, so you would probably be able to do it with a combination of equity, convertibles and debt...

With Rambler, we're at early stages in what we think is a terribly, terribly exciting drilling program. I know there is going to be some super news there on this whole thing, I just know there is going to be some good news. These guys (Altius) have done a super job putting the model together... You've got to be an optimist, this is what the business is all about.

We've got a very good institutional shareholding base, it's a sort of who's who of international banking and investment. We had 53 meetings (with potential investors) and 52 orders, and I have never, honestly, never in my life going around and raising money, I've never had that sort of ratio, or that sort of response to a story. To me it was a revelation. We enjoyed ourselves that three weeks running around, because the institutions were responding so well to the story. It had sort of everything to it, it's got the ability to be very, very big, it's the right metal — copper was roaring along and is roaring along — and there's gold credits which give it that little extra bit of sparkle.

Mother Nature has really got to do her thing, but I feel good about it. I feel the financial side has been brought in here, the technical ability is there, the community will be there — the conditions are all there. Ultimately now, Mother Nature has to offer up some goods and prove that what we hope is there, and what we think is there, is really there. But everything else is in place and that's not a small statement when you think about most mining projects.