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Book recounts Wheaton River's rise

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The following is excerpted from *Out of Nowhere: The Wheaton River Story*, which describes how, in just under six years, Ian Telfer and his team helped build the world's second-largest gold company with a market capitalization of over US\$24 billion.

The 136-page, coffee-table style book tells the Wheaton River Minerals story through the perspectives of over 20 key players, including industry legends Pierre Lassonde, Frank Giustra, Rob McEwen, Kevin McArthur and Frank Holmes.

This excerpt is from Ian Telfer, who was Wheaton River's CEO in late 2001, and is now Goldcorp's chairman.

By November 2001, Frank Giustra and I were desperate. At that point, the one thing that set us apart from the rest of the world was that we didn't hope or expect that the price of gold was going up; we knew it was going up.

So when Roman Friedrich suggested to me that he might know of a quality mining company for sale, I said, "Fantastic!" You never know how long these gold cycles will last, so we wanted a producing mine in order to take full advantage of that cycle.

The hitch was that they wanted US\$100 million in cash for the mine. And we only had US\$25 million.

Somehow we had to raise the money. It was too good an opportunity to miss.

Then Roman called me back. "I've got good news and I've got bad news," he said. "The good news is it's for sale. The bad news is they didn't make me the agent."

It got worse. Roman explained that Antonio Madero's company needed additional capital and he had hired Rothschild to auction off the Luismin mine. I felt totally deflated. There's no way to bid on mines at auction if you don't have the cash to pay for them.

However, Roman insisted he could make it work. He said if we came up with an offer that met with Antonio's approval, Roman could convince Rothschild not to auction it. We spent two weeks hammering out a number. We analyzed the deal using a gold price of US\$325 (per oz.) even though gold was only trading at US\$270 at the time. That's how bullish we were about the market.

At US\$270, not very many deals look appealing as the returns would be too low in an industry where the fixed costs are so high. But at US\$325, the Luismin deal looked pretty good -- even for US\$100 million.

To my complete surprise, Roman called to tell me he'd pulled it off. Rothschild had agreed to an exclusive deal. Now all we had to do was meet with Antonio and Rothschild in New York and convince them that we could actually come up with the money.

-- Privately published by Vancouver-based Echo Memoirs, *Out of Nowhere: the Wheaton River Story* can be bought directly from Goldcorp for C\$50, with all proceeds going to charity. For a copy, please contact Tanya Todd, Goldcorp's manager of corporate communications, at 3400-666 Burrard St., Vancouver, B.C., phone (604) 696-3050. tanya.todd@goldcorp.com.