

Former BHP executives roll dice with Arcus IPO

Duo swap boardroom security to gamble on striking it rich with a junior mining venture in northern B.C.

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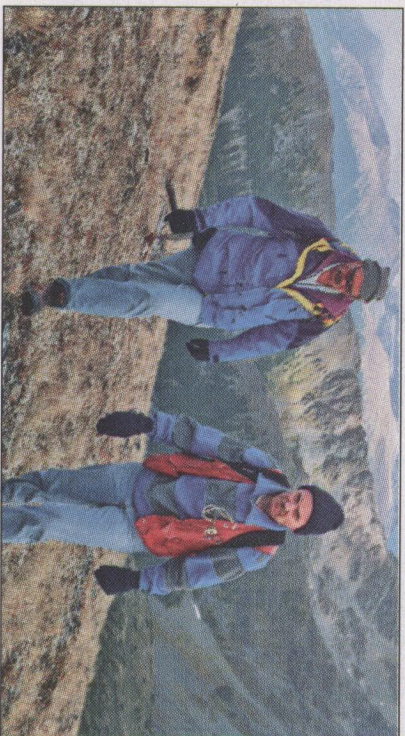
Surveys show that **Ian Talbot** and **Eric Tweedie** are more independent-minded than the average multinational corporate executive.

The two former **BHP Billiton** executives left the financial security that comes with drawing hefty monthly paycheques from the world's largest mining company to launch a junior mining venture.

Arcus Development Group Inc.'s (TSX-V:ADG) October 23 public offering involved months of planning, hard work and consultation with a host of professionals.

However, both Talbot and Tweedie know that generating \$1.9 million from both the IPO and a concurrent private placement with a group of U.S. shareholders only gets them to the starting line.

Money in hand, the duo can determine whether a property 330 kilometres north of Smithers in



Arcus Development Group Inc. founders Ian Talbot (right) and Eric Tweedie: atop a mountain where they hope to find gold and copper

northern British Columbia has gold and copper worth extracting.

A September **Robert Half Management Resources** survey found that most senior executives believe peers would never give up job security to start an independent business. Approximately 59% of respondents to the professional staffing company's questions said their counterparts would rather stay in comfortable offices and enjoy the benefits of a large

corporation.

Tweedie, who is Arcus' 57-year-old vice-president of exploration, understands that reluctance to move, particularly on the part of mining executives.

"The probability of success is weighted heavily in favour of failure," Tweedie said in his thick South African accent. "That's just the nature of the [mining] business. "[The] remuneration set up at BHP Billiton was good. It was nice

to have a monthly salary. However, there comes a time in your life when you re-evaluate things."

Increased freedom and the potential rich upside of running a successful mining company helped convince Tweedie to make the move.

Mining companies are similar to biotechnology ventures in that most don't generate revenue. Those that do can see their stock values soar and their buy-out prices leap into the stratosphere.

Association of Mineral Exploration British Columbia president and CEO **Dan Jepsen** said juniors can also lure executives like Talbot and Tweedie with reasonably good pay packages.

Talbot, who is Arcus' CEO, said the duo's salaries are in the \$125,000 range. He also owns 1.1 million Arcus shares; Tweedie owns 600,000.

"Our market research shows that that is standard for the industry," Talbot said.

He added that the duo's salaries are far below what they received at BHP.

Plenty of longtime Vancouver analysts and accountants have also recently left stable jobs to work at junior mining companies that offer the chance to strike it rich.

For example, former **Haywood Securities Inc.** analyst **Jim Muscard** has joined **Mantle Resources**

Inc. (TSX-V:MTS), and former **Ernst & Young** partner **Ian Slater** now heads **Fortress Minerals Corp.** (TSX-V:FST). (See "Lawyers and analysts eyeing energy options" *BLV* 939; October 23-29.) Even Jepsen has fielded several offers to leave his association and head junior mining companies. So far, however, he's turned those proposals down because his current job doesn't require too much travel, he gets to network broadly and his skills more closely match the job's requirements.

But Talbot is not simply jumping on the junior mining bandwagon because it's the flavour of the month. He wanted to head such a venture prior to meeting Tweedie.

Talbot was BHP's senior legal counsel in B.C.; Tweedie was the company's senior local exploration executive.

Tweedie left BHP in 2005. Soon afterward, Talbot broached the idea of founding Arcus. Talbot then assembled a board of directors with a wide range of skills from various sectors.

"Through my career, I've always wanted to run or be involved in the management of junior mining companies," said Talbot, who is a 48-year-old former lawyer and geologist. "What was important to me was to get the right team together." ■

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