

BE POSITIVE IN DIFFICULT TIMES

By Andy Clay

Drinks at McGinty's was a great success and we look forward to hosting our Friends and Colleagues again soon. For those of you that couldn't be with us, I would reflect that the mood was friendly and constructive as many interesting topics were debated.

Dave Thayser at the Ernst & Young Mergers & Acquisitions breakfast pointed out yesterday, the market is dominated by the emotions of Fear, Confusion and a distinct Lack of Trust. However, Dave suggested the following strategies based on the fact that the 'Management decisions you take now will define your future':-

- Change your outlook;
- Don't grow by acquisition;
- Generate internal efficiencies;
- Build working capital as cash; and
- Focus on valuation.

Venmyn is still concerned that insufficient attention is paid to valuation of mineral assets and that unnecessary write-downs are destroying balance sheets. Many mining assets and mineral rights are not TOXIC but an option on resource prices.

Who believes prices will continue to stay at these levels? If we do, we shouldn't be in this business.

Please send your comments and opinions to Andy Clay.