

Interview with: Juan Vegarra, Chairman and CEO - featuring: their exploration and development of Peru's mineral potential, currently with four significant projects and a uranium initiative underway in Peru, covering approximately 50,000 hectares and has access to many additional opportunities.

Vena Resources Inc. (VEM-TSXV)



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Vena Resources has built one of the best teams in Peru with local expertise managed by Peruvians that were also successful in North America



**Exploration
Metals/Mining
(VEM-TSXV)**

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Juan Vegarra
Chairman and CEO

Interview conducted by:
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BIO:

Juan Vegarra, Chairman & CEO

Juan Vegarra is a native of Peru and continues to foster his significant base of contacts both within the Peruvian government and in the mining industry. Prior to his appointments as Chairman and CEO of Vena Resources in 2003, Mr. Vegarra enjoyed a successful career as a Microsoft executive. He currently manages a venture capital firm focused on the mining sector in addition to his duties with Vena Resources.

Company Profile:

Vena Resources Inc. is a Canadian mining company focused on the exploration and development of Peru's mineral potential. The Company currently has four significant projects and a uranium initiative underway in Peru, covering approximately 50,000 hectares and has access to many additional opportunities. Through its board of directors, Vena Resources possesses a unique quality of skills and experience in management, mining and finance relating to Peru and Canada.

CEOCFO: Mr. Vegarra, what was your vision with Vena Resources when you began with the company, and where are you today?

Mr. Vegarra: "I worked for Microsoft Corporation for almost nine years in the 1990's. After I left Microsoft, I decided to invest in markets quite different from the high-tech world with the goal to diversify my portfolio, such as the commodities market. I invited some friends, almost four years ago, to build a company focused on mining, bring it to the public stage, make money in a socially responsible way and invest those gains back in Peru. So far the company has gone from a dream four years ago to a company that is worth about \$50 million in market capitalization, with tremendous upside based on the foundation we have built. I expect the company to continue to enhance its diversified portfolio and continue to develop assets with the goal to produce material news every couple of months."

CEOCFO: Tell us about mining in Peru.

Mr. Vegarra: "Overall mining is Peru's biggest industry. About 54% of the exports

are related to mining and about one-third of Peru's GDP is tied to mining. Virtually everyone in Peru has a friend or relative that has something to do with the mining industry. As such, I expect the mining industry to continue to grow based on the current trend in the commodities market and I expect the Peruvian society to benefit tremendously from it."

CEOCFO: Tell me about your projects and why you have chosen those particular projects.

Mr. Vegarra: "We have 29 properties and we strongly believe in cash flow. I came from the school that if you have a cash flow machine, you can fund your exploration budget without having to dilute your shareholders too aggressively. The main property, Azulcocha, is an old zinc mine that we are reopening. Currently, we are going through the process of drilling the mine to confirm the historical resources and to commence mining operations after this month. In fact, we expect this property to generate a significant source of revenue over the next few years and from there to continue to build out other divisions of the company. Azulcocha is the main driver and it should generate about \$20 million in free cash flow by late 2007 and twice as much in 2008. With those parameters, we can expect the Vena's market cap to go up. All the cash that we will earn from the Azulcocha sales will fund exploration project expenditures that we have in copper, gold, silver and uranium properties. The second most important asset that we have in the company is our 15,500 hectares of uranium targets. These 78 targets were identified by the Peruvian government 20 years ago. We are in the process of doing some drilling and expanding our geological knowledge of the four regions in Peru. We are doing very well in Peru and satisfied to tell the world that we have found uranium in Peru and we are going through the steps to figure out if it is economic to process and if so, how big and what kind of effect it will have on our share price. We are spending a lot of time and effort on those 15,000+ hectares across 78 targets and over time, we will be able to quantify our uranium to the market via a 43-101 compliant report. There is a tremendous amount of work going on throughout the company. We have 78 people working for us right now and another 20 people in the pipeline to continue to develop the other assets of the company. By the time of the PDAC, which is the world's largest mining conference held in Toronto, we should have over 100 people working for the company in Peru."

CEOCFO: Tell me about your recent agreement with Cameco.

Mr. Vegarra: "Certainly, on January 26th, Vena signed a Letter of Intent with Cameco Corporation to establish a jointly-owned company to explore and develop Vena's Uranium assets. The new company will begin by initially exploring and developing the numerous Uranium targets in the four regions in southern Peru where Vena's Uranium properties are. Under the agreement, CAMECO has the option to invest \$10 million over the next four years in two stages and for that it will obtain a 50% ownership. After that, CAMECO can increase their stake to 60% by completing a feasibility study and then a further 10% when mine development commences. Given the fact that CAMECO is the largest Uranium company in the world, we're extremely pleased to be working with them – they bring a wealth of experience, engineering support and production knowledge – we couldn't have a better partner."

CEOCFO: You are a native of Peru; what are the advantages to exploring in Peru?

Mr. Vegarra: "Exploring in Peru makes a significant difference on Vena's profit and loss and it goes back to the cost of leveraging an operation in Canada or the US, verses Peru. A well paid senior engineer with 20 years of experience earns between \$8 and \$15,000 per month in North America, but in Peru, the same caliber person makes between \$4 and \$6,000 per month. Therefore, your cost structure is almost half of what it is in Canada and every dollar that I raise in Canada can benefit me twice as much in Peru than if I were to use those funds to work in Canada. In addition, the expertise in

Peru is very sound. Peruvians has been mining for hundreds of years since before the Incas. Hence, you have a plethora of skill set in Peru from people that understand how to exploit an underground mine, to metallurgical experts to financiers that provide the financial instruments to scale an existing operation. There is a large group of geology graduates in Peru, so the resources on the ground are significant and we will train people as well. Just from a cost perspective, doing business in Peru makes sense because you can explore more aggressively than you could in North America, Europe or any other country. Also, another benefit is that we can apply our local knowledge for the long-term so that communities essentially become stakeholders in the operation. To me, there is an incentive that the government provides to us to continue to invest in remote areas of Peru where we can provide significant value, instead of focusing our resources in places like Lima. In addition to the foregoing, Peru also makes sense to me because it has the Lima Stock Exchange. We are proud to be the first junior to be listed on the Lima Stock Exchange. We trade more shares in Peru than we do in Canada on a daily basis, which says to me that the Peruvian institutional investors and high net worth individuals are looking at Vena Resources as a potential major discovery in their portfolio for the long-term. That is great incentive for me to continue to work in Peru. We are demonstrating that we have the resources on the ground in Peru, to become a significant mining group.”

CEOCFO: What do look for in properties?

Mr. Vegarra: “Last December I purchased a property, so I will give you the logic in how I went about selecting that particular property called Pucara. We look at properties that have near-term production capabilities and by near-term I mean within the next 12 to 18 months. We no longer look at properties that are considered early-stage. We are turning over the portfolio at Vena and dropping the signing of deals with third parties to pick up the early stage assets that we have in the right locations in northern Peru and we are putting in our portfolio new assets that are much more advanced. My philosophy is to explore through drilling programs with the goal to increase the potential tonnage that we have in the potential ore body, while at the same time to look for early-stage mining capabilities. For example, Pucara has two systems, a poly metallic vein system and a disseminated copper gold system. We will drill out the disseminated system while exploiting the underground vein. We are turning the page on how investors look at Vena. Vena is much more advanced now with a cash flow machine, the Azulcocha mine, and a good reputation in Peru as corporate citizens. We are able to hire more competent people with a more significant knowledge base than in the past and that is helping us go after projects that in the past we could not go after, so we are now competing with major companies. That gives us a degree of credibility that is very rare in Peru. We are running the company as a business, not as a geological dream. This company is run by business people more than anything else and we complement those skill sets with a strong engineering team in Peru. I think over time people will see the benefits of having a diversified portfolio with multiple commodities, but country focused.”

CEOCFO: Will you give us your thoughts on the volatility of the commodities prices and where we are in the cycle?

Mr. Vegarra: “I am not an analyst but I hear a lot from them. Everybody I talk to in Toronto tells me the base metals space still has room to run. Gold is challenging because gold does have a tendency to be tied to currencies and inflation. Therefore, it is hard to estimate where gold is going. However, I believe that base metals like copper and zinc specifically are going to continue to go up based on worldwide supply-demand dynamics. For Vena, not only are copper and zinc a major potential upside, but uranium as well. We expect that if we develop our uranium assets, people will wake up to what we are trying to do and there will be an explosion of volume in Vena shares as we prove up resources, and take the company to the next level.”

CEOCFO: Do you do much outreach to the investment community?

Mr. Vegarra: “In many ways yes and no. Vena has many shareholders in Canada, Germany and Peru; they are our biggest markets. I expect to do the same thing in the US as soon as Vena complies with the requirements for the AMEX. Once there we will be doing a lot of work in the US to reach the financial institutions in New York, San Francisco etc. It is important to understand that many firms in New York or San Francisco already have the capability of buying Vena Resources shares in Toronto. Not being listed on AMEX is not an impediment, but when we are listed, it will be easier for individual US shareholders that want to build up a position on a base metal company or a precious metal company, so they can buy directly from the AMEX here in the United States. We spend between 4 and 6% of our budget in marketing, going to conferences, on tours, talking to the media and going back and forth to Peru to talk to the different stakeholders in the community. There are significant stakeholders throughout the world and all of them need to be kept abreast so we spend a lot of time ensuring our shareholders are informed of what the Company is doing and its plans going forward. It is important for people to understand what Vena is trying to do and that requires a significant investment on our part. Of course, this ultimately relies heavily on results -- if we drill and find something positive, we are proud of it and make sure the world knows about it. We are trying our best to reach the financial institutions. Next time we do a placement, it will probably be done through a syndicate of brokers. The reason for that is because we want coverage by analysts and higher distribution. In the past, we have been able to raise money on non-broker led private placements. We tap into a network of friends and institutions that we have throughout the world and they have been funding Vena until now. However, I think you will see us moving to the next level, which is getting a syndicate of brokers that will raise a significant amount of money for Vena and generate independent research reports that we can lever.”

CEOCFO: This is a turning point for the company!

Mr. Vegarra: “I believe so. We spent the last year and a half building the foundation for the company. We had a major hiccup during the election process. For a while, people thought Peru was turning leftist just like it had in Bolivia, Ecuador and other countries and because of this there was a major correction in the valuation of the company. We went from about a dollar to almost 47 cents in less than two weeks and it had nothing to do with our performance. Now that the political risk is out of the way, Vena has corrected back to its proper level and I believe the investment community is now waiting for significant results that we hope to continue to release, and the market will probably respond properly and will take us to the next level.”

CEOCFO: Why should investors look at Vena now and what should they know about Vena that does not jump off the page?

Mr. Vegarra: “Vena Resources is a company with a highly diversified portfolio. Just like you and I, we manage the assets of the company the same way you and I manage our personal funds. We do not have our entire portfolio on gold, copper or zinc. We have a little bit of everything, the same way you probably have a little tech, a little mutual funds, some large-cap companies, and some small caps. By having a diversified portfolio, we mitigate the risk of being tied to a single commodity, because if that commodity were to drop, then we run a huge risk. By having multiple properties, if one of the properties were to fail, we still have 28 properties that can still give us significant results. Therefore, a highly diversified portfolio and multiple commodities with cash flow coming from internal operations is a business model that makes us unique. We also trade on the Lima Stock Exchange, which is a very compelling scenario for Peruvian institutions. Finally, we have the foundation for delivering exciting news every couple of months. Because we have such a highly diversified portfolio, the company should be able to announce material news either from gold,

copper, zinc, or uranium every few months and that is the livelihood of a junior -- to create awareness. We spent most of 2006 building a foundation and for the rest of the next two years; we expect to be providing significant results that will give us a different market cap.”

CEOCFO: Any final thoughts for our readers?

Mr. Vegarra: “Vena Resources has built one of the best teams in Peru with local expertise managed by Peruvians that were also successful in North America. We also have a powerful board of directors and a strong advisory board. These elements together make Vena very unique and that is why we believe the company will receive its proper evaluation in the short term. We will be monetizing many of the assets we have over the next two years to provide significant upside for investors that want to invest now. Of course, we have to deliver on that and we have a major plan for the next few years to get to that goal. Hopefully, we will be talking every few months and I will keep you abreast to what we are doing.”

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