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Small miner holds out

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If nothing else, the decision by Canadian Shield Resources Ltd. -- a small exploration and development company with interests in Peru and Chile -- to withdraw from a previously signed letter of intent with Kinross Gold Corp. is an example of putting the interests of shareholders at the top of the pile. Now the company's owners stand to do better because they will receive the benefit of all the company's exploration successes -- rather than having to share them with Kinross.

"We would like to attain greater value with success," said president Keith Laskowski. "If we had continued with the letter of intent with Kinross [whereby it would have conducted the regional exploration] they could have ended with majority control. We are not ready to surrender control at such an early stage in the life of a prospective property," Laskowski said. He added that the plan is to pursue the program independently, to acquire new properties "while we advance the properties that we already have. In time, we may be ready to seek a bigger partner. By then, our shareholders will be in as better position."

And Canadian Shield, which has a market cap of about $10-million, is in this go-it-alone position because of the price of gold; more opportunities open up when the price goes higher. And Canadian Shield is in this position because it now has the management skills to run the program.

In June, Laskowski was made a director. He is a veteran of the world of exploration and has spent a dozen years working on projects in Peru, Mongolia and Haiti, where he worked for Eurasian Minerals Inc. (Those discoveries are now held in joint-venture agreements with Newmont Ventures.) In August, he was named president. A few weeks earlier, Canadian Shield raised $850,000 by way of a unit offering (a share and a warrant) at 80¢.

But Laskowski wasn't a stranger to Canadian Shield. In a previous life he was vice-president and exploration manager for Harrods Minerals. (The Harrods name was well chosen: It was a private exploration company owned by Mohamed Al-Fayed, the owner of the famed London department store. Later, Harrods Minerals changed its name to Gallant Minerals.) It was while at Harrods that Laskowski developed a regional database.

Five years ago, Canadian Shield acquired 90% of that database from Gallant. Now, Laskowski will get to work with the database he helped create.

"I supervised the construction of that database, but it hasn't been utilized since it was purchased by Canadian Shield. I know what's in it and there are things that I would like to pursue that were recognized back when the database was being built," Laskowski said.

Canadian Shield shares closed yesterday at $1.25.

In 2007, Maple Bonds -- Canadian-dollar-denominated bond offerings by foreign issuers in the domestic market using Canadian documentation -- were more than the flavour of the month. Given the strong demand from local investors, the issuers responded and raised more than $25-billion.

Then the issues dried up to virtually nothing, in large part because of the widening credit spreads that resulted from the credit crisis. Now they are returning. Yesterday, KfW Bankengruppe, a German-government-owned development bank, raised $350-million via the sale of three-year floating rate notes. That deal is the third in the past two months: Earlier, two Australian banks, CBA and Westpac, did issues raising $200-million and $300-million, respectively.

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