

## CANADA VENTURE: Varshney's Rolodex Method For Start-Ups

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VANCOUVER (Dow Jones)--Varshney Capital Corp. is a privately held, family-run investment business, raising money and providing joint-venture, M&A and distribution contacts and advice for start-up businesses.

"We've been doing this for 18 years now; it's a good, solid family unit that has the skill sets and background you need to be successful in this space," Praveen Varshney told Dow Jones Newswires. "We came to this as entrepreneurs, starting from scratch and building several businesses. The model has now evolved to where it is now; we don't run anything, just work with good management teams, provide capital, public-market experience and a Rolodex of contacts."

Varshney Capital isn't specialized, having real estate and private businesses within its portfolio as well as capital-pool companies looking for the right investments and mining companies, ranging from uranium to diamond, zinc and copper plays. There are also solar and technology names under the Varshney umbrella.

"Despite what's been happening in the global economy, if you can find a good business, it will do well even in a bad market - and be that much stronger when the market turns," Varshney said.

Case in point: Canada Zinc Metals Corp. (CZX.V), which has recently spent some C\$14 million exploring its Akie property in B.C. Lundin Mining Corp. (LUN.T) and China's Tongling Nonferrous Metals Group Co. (000630.SZ) are significant shareholders.

The Varshney team will soon travel to China to meet with Tongling, because the Chinese company is considering raising its 13% stake in the zinc company.

"(Tongling) has deep pockets; eventually it will be the company to help develop and mine the deposit or buy the business," he said.

China and India are clearly the end-markets that Varshney Capital would like to tap via its portfolio of companies.

Minaean International Corp. (MIB.V), a company that produces quick-build framing systems, is active in India's housing market. It also has a contract with Royal Dutch Shell PLC's (RDSB.LN) India division, manufacturing, supplying and installing 50 modular steel buildings which will be used as retail kiosks at Shell gas stations.

Other companies within the portfolio: Carmanah Technologies Corp. (CMH.T), the largest solar-power company in Canada; it has 250,000 installations in 110 countries.

Bayswater Uranium Corp. (BAY.V) acquired Varshney's Northern Canadian Uranium Inc. in a C\$18 million merger - at an 83% premium to Northern Canadian's share price. Varshney stayed on as a director at Bayswater following the completion of the deal.

So, what's next?

"We're looking at mining projects and technology companies," Varshney said. "We hope to get into another one or two projects in the next six months and perhaps another resource project for one of our capital-pool companies."

He's particularly keen on one unidentified technology company that has bootstrapped its way from nothing to C\$18 million in sales, including recurring revenue.

"It did it with zero outside capital; if we can give it proper gas money, it'll be interesting to see how much more it can crank the operation up," he said.

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