



Transcript of update interview with Mr. Bill Pincus



President and CEO of Global Minerals Ltd.



TSX Venture Exchange: CTG

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William Pincus - President and Chief Executive Officer. Mr. Pincus has over 30 years of industry experience. He is the Chairman of Esperanza Resources (EPZ-V) and was Vice President of Sunshine Mining Company, overseeing the development of the 155-million-ounce Pirquitas silver deposit. Previously Mr. Pincus was Executive Vice President of the mining consulting firm, Pincock, Allen and Holt. Prior experience include both FMC Gold (now Meridian Gold) and Atlas Corporation where he was involved in the successful exploration and acquisition of various precious metal projects. He graduated from the University of Colorado with a B.A. in Geology in 1975 and received an M.Sc. In Geology and an M.Sc. in Mineral Economics in 1981 and 1986, respectively, from the Colorado School of Mines. He is a Certified Professional Geologist.

Smallcaps.us: Welcome to all our listeners and thanks for tuning in to another Smallcaps.us interview. We're pleased to be taking a look at Global Minerals Ltd. today, a Company we've spoken about several times in the past. The President and CEO of Global is Mr. Bill Pincus, who has taken time out of his schedule to speak with us today. Global Minerals is listed on the TSX Venture Exchange with ticker symbol CTG. Thanks so much for joining us again Bill, welcome.

Bill Pincus: Well thanks for having me.

Bill, it's been a while since our previous interview, so maybe you can refresh our memories by giving us a brief overview of Global Minerals and its Strieborná project.

Well, sure. Global mineral really has one principal project that it's advancing right now and that is the Strieborná project. What we're trying to do is reactivate a silver/copper mine located in Slovakia. It's been operated historically through many centuries, but most recently from the post world war period right up until the mid 1990s there was an operating mine. At that time it was shut down and unfortunately allowed the flood. But Global Minerals acquired the property in 2007, has since dewatered the mine and helped rehabilitate some of the infrastructure and now we're trying to move the project on towards production.

I should mention that we already have a pretty significant resource and I think most important for us is that it's a high grade resource. We're looking at roughly two million tons in the measured and indicated category at 230 grams

of silver per tonne and over a percent of copper. And a similar number in the inferred category as well.

Part of the beauty of the project, next to the nice resource of course, is the fact that when Global Minerals acquired Strieborná there was already an extensive underground and on surface infrastructure present. What can you tell us about that and what did you do to rehabilitate and upgrade the property?

Well you're right, there is extensive underground infrastructure. The first thing we did of course, as I just mentioned, was to dewater the mine and provide ourselves access to the underground. Now the Strieborná vein where all our resources lie is a vein that's parallel to the previous production which came from the Maria Vein. They're about 500 meters apart.

So we rehabilitated the shaft that came down the Maria vein, we rehabilitated a number of cross cuts that gave us access to the Strieborná vein and we also excavated two drill stations which has allowed us to begin an underground drilling program.

Before we continue about Strieborná, can you first give us some background information on the Slovak Republic, because it may seem a bit off the beaten track?

Well, it does and I think to many western audiences no doubt. Slovakia was part of Czechoslovakia that peacefully separated in the 1990s from the Czech Republic. It joined the European Union in 2004 and uses the Euro as its currency. The country, and particularly where

we are located, does have a fairly long mining history as I just mentioned earlier.

The area that we're working, which is in Eastern Slovakia, is an area with extensive mining background and as a result what we have found is that there are lots of available underground miners, underground drillers and various support services that we require. There is a nearby mining university and so there is welcome availability of professionals Engineers, Geologists, Metallurgists and environmental people.

Also the local community has been very supportive of what we're doing. Just recently we signed a co-operational agreement with the municipality. So far, we found it a very positive place to work.

OK, now that we know a bit about the background of the Company, let's take a close look at what's happening today at Strieborná and its upcoming milestones. First, in October of 2012, Global Minerals initiated an underground drill program at Strieborná. What was the goal of this program, and what are the first results like?

Well, we're drilling from two drill stations that we excavated underground. The goal of the program is to demonstrate the continuity of the ore as well as to expand the resource, essentially infill and stepout drilling. The drilling mainly focuses on the upper – fairly high-grade – portion of the deposit. This will be the area where first mining will take place.

What we found is pretty much what we expected, which is that the high grade zone is continuous. The resource seems to be holding up and with the drilling that we have ongoing right now we would hope to be able to expand the resource somewhat.

Next to drilling, the Company is also working hard on putting together a Preliminary Economic Assessment, or PEA. Can you shed some light on that for us?

Sure. The PEA is required by the Canadian securities regulators and it's essentially a first economic assessment.

It's not a feasibility study but it's a preliminary step to that. It will be the first chance we get to put together a cohesive development plan, do a fair amount of cost estimation and then be able to really value the deposit in terms of expected revenues, costs and give the investment world the stance of what we're trying to do and what's the potential profitability of the project may be.

Now this includes a fairly detailed mine plan. We have also completed a significant amount of metallurgical test work and the results from that will be incorporated into the study and it's all coming together right now.

I should say that the study is done, and signed off for, by an independent consultant. So although we're working quite closely with the people who sign off, it will be their work and it will be independent to the Company's management. We would hope that sometime this summer we will be in a position to publish this study along with an updated resource.

Taking the Strieborná project towards production will naturally require substantial funding. What's your current thinking on the project's CAPEX and how are you going to raise the necessary money?

Great question. I want to be very; very careful about this because we're still determining it and will only be indicated in the upcoming preliminary economic assessment, but our general sense right now is that the CAPEX to put this back into production is going to be relatively modest by mining standards at well below \$100 million dollars.

We're trying to evaluate right now how we're going to finance it. It don't think it comes as a surprise to anyone that in the past while mining projects have somewhat fallen out of favour in the general investment community. That clearly makes our task difficult.

Nevertheless, we do have some advantages, like the relatively small size of the capital required. As we're looking at near term production, I think we could begin to look at a variety of financing mechanisms. Everything from supplier financing, various forms of debt, convertible debt, revolving credit and commodity debt. That are a variety of financing mechanisms that I hope will be available to us. We've begun a number of conversations, but at this point it's nothing more than just conversations.

Talking about money, what's the Company's current cash position, and is that enough to execute as planned?

At the end of the last year we had approximately \$6 million plus in the bank. We've been spending on the PEA and the drilling program, but yes we certainly have more than enough money to complete our Preliminary Economic Assessment and to get those results out to the world. At that point, when we have a clear picture of what our capital needs will be, then we'll have to look at our financing alternatives.

To round everything up, what are the milestones over the next 12 to 18 months that we should look out for?

Well, the first and most immediate milestone will be the publication of the PEA. As I said, that will help people get a real handle on the value of the project.

The second milestone are our permits. We hope to submit our permit application before the end of June and hope to receive our permits before the end of this year so that we can begin operations sometime late this year or very early next year.

And then the next big milestone is how are we going to pay for it? How are we going to finance

us into production? So those are the real key milestones over the next 12 months, and if all things fall in place, we could be in production by late 2014 or early 2015.

Terrific. On a side note, Esperanza Resources holds a 26% stake in Global Minerals. Could you tell us whether Esperanza intends to maintain that position?

It's my understanding, and that's an informed understanding, that's exactly their position at this point in time. It's viewed as an investment. They've put a fair amount of money into it, they're happy with their investment and they would like to see what this becomes. Beyond that I suppose anything could happen, but for the time being they feel very happy with the investment.

Finally, what would you say are the two or three most compelling reasons for a long term investor to consider Global Minerals today?

Well, the first and foremost I would say we see production on the horizon, we're producing from a high grade deposit and all of the figures being equal high grade is better than low grade. I also think that the relatively low capital requirement does make this a financeable project. We're always aware of minimizing shareholder dilution, so it's nice to have potential alternatives open to us.

Well thank you Bill, it's been a pleasure speaking with you and we appreciate your time and insight. We hope to have you back for a future interview and we'll certainly continue to follow Global Minerals' progress as it moves Strieborná closer to production.

Well you're very welcome and thank you very much for the opportunity to talk about Global Minerals.

Interview Feedback

We welcome your questions and feedback regarding this interview at: <http://smallcaps.us/bill-pincus-ceo-of-global-minerals-outlines-plans-for-taking-strieborna-towards-production>

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