



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: A warm welcome everyone to another Smallcaps.us interview. We're excited to have Mr. Bill Pincus with us today, the President and CEO of Global Minerals Ltd. to give us an update on his Company's progress. Global Minerals owns 100% of Strieborná, a silver/copper/antimony deposit in Slovakia. The Company is listed on the TSX Venture Exchange with ticker symbol CTG. Thank you for joining us Bill, welcome.**

Bill Pincus: Thank you very much. It's always good to talk with you.

**Bill, the most important news, since our previous interview, is that Global Minerals issued an updated resource estimate for its Strieborná project. Can you give us the numbers and some more background on those results?**

In the updated resource that we published last autumn we have roughly 2.3 million tons of material within the measured and indicated category. But the grades are really what we are excited about. We have 266 grams silver per ton as an average, which is considered to be very high grade.

We also have 1.2% copper and 0.9% of antimony. Those two are considered very good high-grade materials and that's really what gets us excited about this deposit.

**Next to the attractive amount of silver in the resource, it also contains a by-product called antimony, which may turn out to be very lucrative. First, what can you tell us about antimony and secondly, how does it affect the value of the property?**

Antimony is considered an industrial metal with a number of industrial applications. Its most important use is as a fire retardant. Interestingly enough, most of the world's antimony comes from China. So the Chinese market controls a lot of the production and in that respect I think it's a bit like a rare earth element.

The antimony gurus of the world, and I think there are about three of them, tell me that production in China could be tapering off. Certainly we see that antimony prices have been strong for a considerable amount of time. So we consider antimony a significant by-product component to our project. If things go as we are now planning, we would be an important producer of antimony. And that would certainly have a very positive effect on the project economics.

**I know that many tests are currently being conducted to include in the upcoming Preliminary Economic Assessment (PEA) for Strieborná. So can you give us a brief overview of the ongoing tests, when can we expect the PEA and what should we expect from it?**

We made quite a bit of progress on the preliminary economic assessment. We had hoped to have it completed by now but because we are taking a much closer look at the antimony and how to recover that, we have been a little bit delayed.

What we are looking at in terms of a project is a fairly straightforward underground vein mine. We would bring the ore to the surface and make a mineral concentrate which will contain silver, copper as well as antimony. Now, the next step

in our processing would be to apply the Sunshine process named after the Sunshine Mine which is in Northern Idaho in the United States. They have used this process since the late 1960s until the mine was closed in 2000.

During the Sunshine process, the mineral concentrate, containing all three metals, gets leached in a caustic solution. While the antimony goes into solution, the silver and the copper remain in solid state. Once the antimony is in solution we can then recover it through a process called electrowinning. This is, by the way, also often how copper is produced. We can make what's called an antimony cathode and that is a marketable product around the world.

So, the test work that's going on right now is very much aimed at leaching the antimony and separating the solution in a cathode form. We already demonstrated to ourselves that we can leach this material. It actually leaches very well. What we are doing now is to make a cathode of sufficient purity that it can be sold on the open market.

**Of course, the next big step, after the Preliminary Economic Assessment, is finding the necessary funding to move Strieborná towards production. What's your current thinking on that?**

Well, there is no doubt that as we speak we are looking at a tremendously difficult market for the minerals sectors. There is not very much interest in financing. I think once we get to the point of having a PEA, we have to take a step back and see what the world looks like.

There are a variety of different sorts of financing opportunities that we would have to look at. Obviously new equity is one source of financing, but we hate to sell equity when our share price is depressed as it is. We also could be looking at an off-take agreement, where we make a deal with a smelter or metal trader so they have the right to trade our metal. In such a case, the smelter or metal trader provides financing to us in return for the off-take agreement. Another alternative might be a metal streaming deal.

There a company may fund us in return for a portion of our antimony or copper production. It's very common that companies sell off their by-products ahead of time to get financing. But I would be less than candid to say that it is a difficult environment. That is very clear to everyone out there. So, we're going to have to be creative.

**With the updated resource estimate and all other current data in mind, what are your thoughts on the production rate and mine life of Strieborná?**

Well, in the Preliminary Economic Assessment we are looking at an initial mining rate of 500 tons per day. That should produce something on the order of 2 million ounces of silver equivalent per year. In terms of the mine life, we probably have enough reserves for 10 years. Now I have to be very careful and say these are very preliminary numbers.

But one of the important themes I want to get across is that given the nature and the geometry of our Strieborná deposit, which is basically a vertical vein, it's difficult to drill it out all at once. What we do know is that we have one major vein called Strieborná which is 1,500 meters long and at least 500 meters up and down. That is significant and it's all mineralized. We know also that we have at least four additional veins all with ore grade mineralization on our property that have never been followed up. So, we are very confident that once we get into a mining scenario that we will be able to replace the reserves we mine and add to them.

The analogy that we would like to make geologically is once again to the Sunshine Mine. These are very similar type deposits. The Sunshine Mine, over the course of its history, produced over 350 million ounces of silver. And I don't think at any time in its long history it ever had more than 5 years of reserves.

I hope that we would be looking at that same sort of situation. That we go in, because we have enough to justify our initial investment, while fully anticipating that overtime we will replace our reserves.

**What I, and many others with me, have always liked about the project, and which has a substantial impact on its CAPEX, is that Strieborná already has extensive underground and on surface infrastructure. Can you give us an overview of the infrastructure that's already in place and its value?**

Sure. I will do my best. We have rehabilitated a shaft and a hoisting mechanism that takes us from the surface down to about 200 meters deep and has provided us an excellent access for the work and exploration we have done. That probably will not become a production tunnel or production shaft but it certainly will provide us a secondary access to the deposit once we go into full development mode.

Another significant piece of infrastructure is a 1,500 meter long haulage tunnel, which is very important to us. What it does for us, once we get the ore to the near surface we can haul it through this tunnel and bring it out to an isolated area where there is no population centre and where our activities will have very little disturbance on other activities in the area. I would estimate in today's dollars it would cost about \$15 million to rebuild that.

A third important piece of infrastructure, which we are in the process of acquiring, is an existing tailings facility. Once we're in production and make our concentrate, the material that is left behind is called tailings. That needs to be disposed of in a contained site so as not to create any environmental liabilities. There is an existing tailings facility from previous mining operations at Strieborná. We have already done a lot of work on it: checking its stability, making sure that it's not contaminated or contaminating nearby, and checking if it's a good solid facility. So that tailings facility will also give us a great head-start on things.

And then the last bit of infrastructure are all the various underground tunnels and the raises that connect the underground levels from one level to another. These will provide us with the infrastructure for a mine ventilation system to

make sure that we are creating a safe environment for everyone working underground.

**Another hurdle which has to be cleared before Strieborná can be taken into production is permitting. Which steps have already been taken in that area and how's your contact with the community and governments?**

Well, in fact, we have just recently submitted our application for mining on a small scale. We would hope it will be approved sometime in the first half of next year. That actually would allow us to begin mining concentration operations. And then, as we ramp up operations, we would have to amend our permit to allow us to do a higher rate of mining.

Our relationship with the community, the local government and regulatory authorities I think is very positive. I think over the past few years we have demonstrated that we know what we were doing. We are good corporate citizens. When we arrived on site, untreated water was draining directly into nearby river. Now all of that water is treated and meets water quality standards before it's discharged.

Right now honestly the level of activity is somewhat lower than previously when we were drilling and rehabilitating, but we worked with local contractors and local miners and we found a very skilled workforce. It's an area with high unemployment and I think they very much appreciate our presence.

**As a final question, earlier this year your largest shareholder, Esperanza Resources, which held about 26% of your outstanding shares, was acquired by Alamos Gold. As such, Alamos Gold became the largest shareholder of Global Minerals. Can you tell us if Alamos intends to maintain that position?**

That is my understanding, but I have to put in a warning of course that I do not speak for Alamos Gold. You know, I very honestly was unsure of where they would stand. They did not acquire Esperanza for the holding in Global

Minerals, but for another project that Esperanza had. But they have been an interested bystander if you will. They have visited the property, they have kept up-to-date with our technical progress and the indication I have so far is that they like what we are doing.

**Fantastic. Bill, we really appreciate the time you've taken to speak with us today. All the best to you and Global Minerals, and I look forward to talking with you again soon.**

OK, as always it's been a pleasure and I look forward to our next conversation.

## **Interview Feedback**

We welcome your questions and feedback regarding this interview at: <http://www.smallcaps.us/global-minerals-ceo-bill-pincus-provides-update-strieborna-reveals-plans-2014>

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Twin Squares  
Culliganlaan 1  
1831 Brussels  
Belgium  
Tel. +32 (0)2 808 58 41  
E-mail: [contact page](#)

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