



Erin Ventures Inc. Investor Update Conference Call Transcript

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Speakers: **Blake Fallis**
General Manager / Chief Financial Officer

Tim Daniels
President

BLAKE FALLIS:

...generally identified as forward-looking statements. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Participants should not unduly rely on forward-looking statements. Factors that could cause actual results to differ materially from forward-looking statements include, but are not limited to, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, uncertainties relating to the availability and cost of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, delays in the development of projects, and other risks involved in the mineral exploration and development industry, as well as those factors discussed in the section entitled Risks of the Business in the Company's most recent regulatory filings. These are posted on SEDAR, www.sedar.com.

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Now that we've got that over with, I'm going to introduce Tim and let him take it from here. Tim?

TIM DANIELS:

Okay, thanks, Blake, thanks for the introduction. Hi everybody. I'm Tim Daniels, President of Erin Ventures. Both Blake and I are available after the call to answer any questions that come up in the Q&A period. First of all, thank you all for attending. I know it's the middle of the day and I know you all have other places to be, so I'm appreciative that you would take the time to join us here. As Blake mentioned, we do intend to make a recording of this call available online for anybody that either is unable to attend here today or has to jump off the call before the end of it.

The purpose of this call is to provide you with a corporate update and clarification of ongoing matters that are already in the public domain—I must underline now and stress that, already in the public domain. What this call is not, it's not being held to make a new public announcement of any new business developments. We will not be revealing any material information that's not already in the

public domain. All we're here to do is to add clarity to what has already been stated publicly. In fact, we, along with all other publicly traded companies, cannot even legally use a forum such as this to release any new material information. I always throw that out there because there's always folks that go away somewhat upset, that "Hey, well, I knew all that," but that's all that we can do in a forum like this, is discuss what's already in the public forum. I will attempt to keep the call to an hour or shorter. I know that some of our past calls have gone considerably longer than that.

Just to backfill a few more of the rules of the call, we have provided access for the public to listen in on the call. There is some active participation in this meeting that's been limited to a few specific shareholders who represent a good cross-section of our investor base, that hold a substantial interest in the Company.

Just a note for all of you who are active participants on this call—in other words, part of the Q&A period—please mute your phones, if at all possible, while I'm talking, so that we don't get background noise, and during the Q&A, please announce who I'm talking to, if you don't mind.

Again, I just stress that nothing will be discussed during this call that isn't already in the public domain and that we cannot, will not be speculating forward-looking revealing information that's not already known, or divulge trade secrets that would cause Erin to potentially lose competitive advantages in the industry, or breach terms of NDAs that we might have in place with potential strategic partners.

What I want to do first is just give a brief corporate update, where we are right now, what our plans are moving forward, and a discussion of the share consolidation, and then follow that with a Q&A period, and any ideas or recommendations that the panel of investors might have that we haven't already discussed, and then followed by a brief closing statement.

So, getting into it now, first, let's start with a corporate update. There's basically four separate and distinct business development tracks that we have running simultaneously, all designed to help increase shareholder value in their own way, and in very different ways from each other.

The first, quite obviously and most importantly, is our exploration program on the ground at Piskanja, and of course, to a lesser degree, at the Jarandol site. Our first goal with respect to the exploration

program at Piskanja is to get the development through to a feasibility study level of development, and then, of course, the second goal beyond that is mine development, assuming that the results from the feasibility study are everything that we hope and expect that they will be.

With respect to this exploration program, what we require is, realistically, about 12 months' worth of hard work ahead of us, with a safety net of another, call it 3 to 6 months. Realistically, if everything goes perfectly, we can complete the work on the ground in 12 months, but budgeting for about 18 months definitely gives us that slack in there, that never hurts. Because, oftentimes, when you're doing exploration work you are faced with some unexpected delays, for whatever reason, so it's good to build in a bit of a slack.

The second requirement to get through to feasibility is the need for approximately \$4.5 million, and that's U.S. dollars, to take us right through to feasibility, and, again, approximate because our costs tend to be in a number of different currencies. We do have some U.S.-based costs, we have some euro-based costs, we have some Serbian dinar-based costs, and we have Canadian dollar costs, and so, as currencies fluctuate against each other, as you get a bit of budget overruns, or from time-to-time, things come in under budget, you'll need more or less money. So, our best calculation of what we need right now is about US\$4.5 million to take us through to feasibility study.

The third, the logistics, and we have most of this in place now. We have a very detailed work plan to get from where we are today through to a completed feasibility study. We have an experienced team ready to roll, that includes our geologists, our drilling team, engineers, outside consultants, etc., etc., and so we're well positioned logistically to complete the work that we need.

The obvious benefit of completing exploration through to feasibility is pretty much self-explanatory. It increases the fundamental value of the project and therefore the Company. It helps significantly to de-risk the project. When you talk about a project that is at a PEA or pre-feasibility level of development, your degree of accuracy is considered to be somewhere between 60% to maybe 75% accuracy. In other words, there still are certain risks and unknowns that aren't fully answered until you get to a feasibility level of development. Once you're at feasibility level, it's considered to be statistically accurate to a 90%, to 95% degree of accuracy. So, it significantly de-risks the project. Also, it—and, again, stating the obvious—it gets the project nearer to cash flow, and a big step nearer to be sure,

which also helps to de-risk the project, and, in and of itself, attracts a whole new demographic of investors, once you're at feasibility level, both because you've reduced the risk, increased your fundamental value and put yourself in a position where cash flow is on the see-able horizon. So, for the first time, at a feasibility level, you find that there's a level of interest amongst institutional investors or analysts or brokers, or even larger retail investors or more risk-adverse retail investors, that won't get involved at any level prior to feasibility study.

The number one constraint that we're faced with, with respect to this development, outside of the money that we need to get us there that I talked about, is that we have about 36 months left on our licence to complete the work on the ground, and failure to complete the work on the ground could very realistically result in loss of the licence. I can't overemphasize the importance of this point. Failure to complete the work on the ground can result in us losing our licence. Serbia, like a lot of different regions in the world, do not give exploration licences, or exploitation licences for that matter, for indefinite periods of time. You have certain timeframes in which you must complete a certain amount of work and failure to do so can result in the forfeiture of your licence. So, the good news is, is that we've got plenty of time to complete the work that we need to do, but we do need to get to work for sure.

So, that's the first business development track that is by far and away the most important. Along with that, we have a couple other things that are running in tandem.

The second that I'll mention—not that it's necessarily more important than the third and fourth, but I'll mention it in this order, anyway—the second is our Investor Relations program that we've got in place. Right now, we're working with Frontier. We have an agreement that is in standing with them for about the next seven months. Our plan with respect to IR is a series of meetings with prequalified brokers, investors, financiers, and others, with a goal of creating increased public awareness, looking to increase our share price, looking for new investors, looking for new opportunities to raise capital and a following amongst new analysts and financiers.

The challenge that we're faced on this development track is several-fold. One is the mining market in and of itself. Mining is now in a multi-year slump. I think we can look back pretty much to the financial crisis of 2008 to see the start of the slide in the mining market, and it's intensified over the last several years, and so mining, in and of itself, is certainly a major challenge for any company looking to raise

funds.

A second challenge that is somewhat unique to is the boron industry. Boron, it's a special animal. There's not that many analysts or financiers, certainly brokers and retail investors, that are familiar with boron to any large extent and doing due diligence is a challenge, because there are so few companies in the public space. So, that certainly remains a challenge of ours.

A third challenge for us regarding our IR program with Frontier is the number of shares that we have outstanding currently. It is difficult to attract new investors. It's difficult to move the market, even when you have significant news. We've seen in the past that news has done little to help with our market price, and this is, in part, a reflection of the number of shares that we have outstanding. I'll obviously talk more about this later on, because it's a significant part of the call that we intend to speak on.

The third strategic development track that we're running on is looking for partners and developing these strategic partners, and the partners take many different shapes and sizes. One specific type of partner is off-takers. Off-takers are essentially buyers of boron who are looking and willing to pre-order product. Some off-takers, in some markets, anyway, are looking only to pre-order, while other off-takers are willing to actually engage in forward sale; meaning they'll actually buy product today for delivery at a later date, obviously looking at substantial discounts for taking the risk of buying the materials prior to there being production or delivery available of that material.

Other strategic partners that we've been in dialogue with for some time include project investors. These are investors that bring one or several different skill sets to the table, including money, of course. Money is always front and centre in our needs and something that we're discussing with potential strategic partners. But not only money. We're looking for strategic partners that bring other things to the table, as well, including mining expertise, general mining expertise, underground mining expertise even better, boron expertise, whether it's on the sales side or value-add side—for example, production of boric acid—or potential partners that have a ready market, whether they are themselves consumers of borates or have developed their own market niche, etc. So, the more of these particular strengths that a potential partner brings to the table, the better of a fit they are for us, but certainly we're looking for numerous partners that fulfill one or several, and the perfect scenario is one that fills all of these needs.

Some of the challenges and complexities that we're faced with regarding strategic partner development. We're not close enough to production at Piskanja for off-takers and forward buyers, typically, which doesn't mean that there isn't any off-taker or forward buyer out there, but it's a challenge, because, typically, in the boron market the contracts are for fairly short term, for 12 months or less, and so to approach off-takers with the concept of investing forward for multiples of years is a challenge, because it's definitely outside their comfort zone and thinking outside of the box for them, so it's a challenge. I'm not saying it's insurmountable, but we haven't been able to climb that mountain yet.

Another challenge for us is that right now project investors are slow to act, for a number of reasons. One is that there is a steep learning curve. Again, boron is a unique animal, there's not that many companies out there in the space, and if you're talking about, let's say, a mining company entering the space, sure, they understand mining in general, but they have a lot of required due diligence with respect to the boron space, or vice versa, we might have somebody that has significant understanding on the value-add, maybe a boric acid producer, for example, but in that case they don't understand, they don't know much about the mining business, and, again, it's a steep learning curve for them to get to the level of comfort that they need to have before they are willing to make an investment.

Another reason why the project investors are slow to act right now is because the mining business, in general, is in a deep, deep slump. We're into probably, year eight of a bear market in mining and not everybody's convinced that we're going to see a quick end to this. So, you find that the project investors are of the mind that there's no reason to act hastily, there's no reason to jump in here and now with a mining project, in general. So, the fact that mining is in a deep slump, buyers are not quick to act, is now the challenge for us.

A third point is that, again, given the deep slump that mining has been in, it's difficult for us right now to get full value on a joint venture, as our market cap is tiny compared to the net present value of our project. We're talking about a market cap, depending on where we're trading on a given day, of between \$12 million to maybe as high as \$15 million, versus a net present value on our project of several hundreds of millions of dollars, and so, of course, what the joint venture partner will naturally tend to try to focus their attention on is our market cap as opposed to net present value. So, that

makes, in this sort of market environment, where mining is in such a deep slump, it's certainly an added challenge.

Finally, cash is king. The few companies out there with cash in their pocket that are willing to invest in mining projects have no shortage of companies to look at, and a lot of those companies are extremely desperate and are willing to basically fund themselves at any level, even when that means, basically, giving their projects away. So, the buyers with the cash in their pockets are tending to name their own prices. So, that's complexity that adds to the difficulty for us right now at strategic partner development.

One quick update on this particular point, on strategic partner development, we did announce a few months ago that we are in the due diligence process, we are in discussions with a potential partner, and this particular group would be a very, very logical partner for us, in that they basically bring everything to the table that we're looking for in a partner. We continue to advance through the due diligence process with them and it's going well to this point. Of course, that's no guarantee that we're ever in a position to close any sort of arrangement with them, but at this point talks continue and we're pleased with where things are at to this point. I will certainly tell you more if, as and when talks advance to the point of specific negotiations, offers and completed deals, to the extent that I'm able to do so, down the road, but we're encouraged at how that's moving forward at this point.

The fourth track that we're on in parallel to exploration work, investor relations work, strategic partner development work, the fourth one—and, again, this is something we've talked about, touched on in the past—is the Pobrđje mine, the small boron mine that's owned by the Serbian government and run by Ibar Mines. Our goal here is to complete a deal with Ibar Mines that allows for the refurbishment of this mine and production over a few-year period, while we're developing the Piskanja mine, our major asset. If, as and when this project comes together for us, the Pobrđje mine, it does significantly tilt the playing field in our advantage, for the first time, maybe, in a lot of different ways. It would throw off significant cash flow that would allow us to contribute, we believe, a significant amount of capital towards the Piskanja CapEx. It would allow us become cash flowing in the very immediate future. We think that would result in an increase in our share price. We know from some of our discussions with institutional parties in the past that there's certainly institutional interest in us once we're to the point of nearing cash flow, and Pobrđje would do that for some of these institutions. It would put us into the boron business now, it would create a customer base. It would help us train workers that we could then a few years

down the line port it over to the Piskanja mine. In other words, it would become a great, great pilot project for us.

So, we've been working feverishly towards an agreement on that, but the challenge that we have is that for the last several months the government in Serbia has pretty much been at a standstill while the new government was being put in place. Now, formally, there wasn't a change in government recently. They had the elections back earlier this year and the government was formed at that point. But, what had happened over the last couple of months was that the former Prime Minister, Vučić, became President and vacated his position as Prime Minister, and while the government was waiting for a new Prime Minister to be named, it brought a lot of different divisions within the government to basically a standstill with respect to new business development, because there tends to be a domino effect. As the Prime Minister seat is filled, that generally would create a vacancy somewhere else down the line and that vacancy would have to be filled, and so on. Additionally, the Prime Minister tends to make some shuffles in the Cabinet. So, basically, the feedback that we've had over the last several months by the government was that there would be little to no new business being discussed until the Prime Minister's seat has been filled. So, the good news is, is that literally, just within the last, I believe, 48 hours now, the Prime Minister has finally been named, and so I'm hoping that it's back to business in the government with respect to new projects, like what we're proposing, very, very shortly.

That was one complexity that we've been faced with over the last few months, but another is that Ibar itself, the company that holds the mining licence and operates the boron deposit on behalf of the government, because it is a wholly-owned crown corporation, is, in itself, in a form of bankruptcy, a little bit different from how we do bankruptcies in North America, but essentially in a state of bankruptcy, which complicates the process that we have to go through to make sure that if, as and when we are in a position to take over the Pobjrdje mine that our interests are protected from any outside creditors that might be coming at Ibar Mines. Again, the good news is that everyone who's a part of the food chain with respect to this project is all for it, from the federal government in Belgrade to the municipal governments locally near the mine, through to Ibar Mines itself, through to the mining union, and so on and so forth. So, everybody who needs to sign off on this thing is conceptually approving of the deal and enthusiastic to see the deal happen, and now it's just a matter of the legal protections being put in place to protect our interests, as I said, given that Pobjrdje is in a state of bankruptcy, as we would understand it, but we continue to work along that project development, as well, in tandem with all these

other plans.

So, all these four plans, as I said, are running concurrently and have been for some time, but I think it's important to point out that only the first two, meaning the exploration work on the ground and the IR work, our ability to bring in new brokers, investors, financiers, and so on, are within our direct control, the second one only somewhat within our control. The last two, meaning the strategic partner development and the Pobrđe mine development, are not in our direct control and that they require the cooperation of others outside of Erin, either other companies or the government of Serbia. So, while we continue to push hard on these last two development plans, it's impossible to say if or when they may occur.

The first one, the exploration work on the ground, is by far and away the most critical, as we need to meet our exploration goals to keep our licence in good standing, as I've said earlier, and we can never get too far ahead of our skis looking at these other what-ifs, the Pobrđe, the strategic partners, and so on, and forget that, first and foremost, we have this obligation to complete our exploration work on the ground. So, definitely, while we continue to push as hard as we can on strategic partner development and on Pobrđe, the only prudent course of action for us to take is to complete what we can, what is in our direct control, and what advances the fundamentals of the project and what brings us closer to cash flow and what keeps our licence in good standing, which is to say all these things are accomplished by us continuing with exploration and taking our exploration through to the feasibility study level. So, it's really not a hard choice for us. If we put all our eggs in the joint venture basket, hoping for the white knight to ride in, and by doing so we fail to keep our licence because the joint venture didn't materialize in time for us to allow us to complete the required work on the ground, then we potentially could lose everything.

I hope I've stressed adequately and I hope you understand and agree that advancing the property to a feasibility study level is by far and away our highest and most prudent priority, and ultimately does the most to build and retain our market cap and shareholder value at the same time. But, unfortunately, to continue with exploration, we need money. I think the good news is that we do know how to raise money. For example, to date, on the backs of the efforts of Blake and I, primarily Blake, we've raised and put about \$13 million into the ground at Piskanja so far, and, corporately, we've raised about \$28 million over the life of the Company. Blake and I can attest that we've been involved with other

companies prior to EV and have been able to raise lots of money for those, as well. So, I think that the good news is that, yes, while we need some money, we certainly have the capability of raising that money.

We do have a number of obstacles in our path making the fund raising more of a challenge. Again, like our four distinct corporate plans, the fund raising has some obstacles, as well, and some of those obstacles have solutions that are within our control and other obstacles that exist beyond our control. Some of the obstacles beyond our direct control are things like a challenging junior mining market that I talked about earlier. Boron is a relatively unknown commodity for many investors and brokers and analysts, that makes due diligence difficult for them, which I talked about before. Uncertainty in world events, we never know when Trump might push the button, or other world events that cause uncertainty. The length of time required until we're in a cash flow position is a perceived risk by a lot of potential institutional investors. Some people still perceive Serbia to have political risk. The difficulty in closing forward sales in the boron space, etc., etc. These are objections that Blake and I have faced and addressed countless times with varying degrees of success, but, overall, a fair bit of success, I believe, and so we know how to deal with those challenges, even though they're out of our direct control.

But, we do have one other difficulty with respect to financing that is unlike the other ones that I just mentioned, in that this one is somewhat within our control. The TSX sets a minimum price of \$0.05 for the pricing of private placements, for the conversion pricing, for convertible debt, for debt settlement minimums, etc., etc. So, as a general rule, shares can't come out of the treasury of the company for these items unless they're priced at a minimum of \$0.05. In normal market conditions, this isn't an issue. However, when faced with a depressed market, such as that which has existed in the junior mining space for the past several years, a lot of companies, ourselves included, find ourselves in a position where our share prices are trading at or below the \$0.05 level. This is significant, because when our market is trading at a discount to \$0.05, the private placements, which are the key to our continued financing and therefore property development, become increasingly difficult to sell. Why should somebody pay a premium for a placement when the Exchange rules actually allow for a discount to the market price, assuming the market is above \$0.05?

For example, if we're trading at \$0.20, we could, for example, offer an investor a placement price at

\$0.16, which we would be a 20% discount to the market. However, when we're trading at \$0.04, we have no choice but to price the placement at \$0.05, which is the TSX minimum under the rule, which is a 20% premium to the market. This makes investors very hesitant, because, normally, they would be expecting in their rights to enjoy a 20% discount, but we're asking them to pay a 20% premium, and so it makes it very challenging for us to raise money under those circumstances, especially for investors and brokers and institutions who are new to Erin. Sometimes we can go back, and have gone back, to existing folks, people who already understand boron and are avid followers of ours, and avid shareholders, and they're willing to participate on those bases, sometimes, but for new folks, it's very, very difficult to convince them to pay premiums for placements when the convention is they should get it at a discount rather than a premium.

So, to recap, we need three things: one, we need to advance the project to keep our project licence in place, to build value and reduce risk in the Company; two, we need to raise money in order to fulfill the first one, which is project development; and three, we need to make fund raising viable, which fulfills the second point, which in turn fulfills the first point, by having our market comfortably above this arbitrary \$0.05 level that's set by the TSX.

So, all this leads to one logical conclusion, and that conclusion is that we need to seriously consider doing a consolidation of our shares. So, on August 11 of this year, we're going to be holding a Special Meeting of the shareholders to ask for approval for a special resolution to authorize the consolidation of the issued and outstanding common shares of Erin on a basis of one post-consolidated common share for every seven pre-consolidated shares; in other words, a seven-for-one roll-back, seven old shares for one new share.

We believe that this proposed consolidation is certainly in the best interest of the shareholders, in that it gives us much greater flexibility and opportunity regarding several different corporate activities which are all designed to increase the shareholder value, such things as: our ability to have some flexibility with respect to the finance structure on a strategic alliance; it enhances our marketability of our shares as an investment, which aids in our fund raising activities; it increases the interest to a wider audience of potential investors and brokers and financiers and analysts who may consider investing or—and it's an important point—or might for the first time be able to invest in Erin as a result of the increased market price of our common shares, because some institutions just by default have minimum price

thresholds under which they're not able to invest in a company, regardless of other factors that they see favourable in investing.

The other point is the reduction in the number of shares outstanding. There is definitely a reoccurring concern amongst potential new financiers and brokers and investors that we've been courting over the last few months, and that concern keeps coming back as being the same thing over and over and over, and that's they like the deal, they're intrigued by the boron market, they love our PEA numbers, but our share capital or our share structure scares them and they're just very hesitant to invest, for no other reason than because of the number of shares that we have outstanding, and so a roll-back may, in fact, entice several of these potential interested parties to invest.

Another point is increased share price, in that by having fewer shares outstanding, there's increased effectiveness by management, by our news releases, by investor relations, etc., to positively impact our share price. When you have hundreds of millions of shares outstanding, sometimes it's like shovelling dirt off a hill, it gets harder and harder and harder to move that market, and so by doing the consolidation, we can enjoy some positive appreciation in our market, potentially, as a result of the efforts of ourselves or positive news or investor relations.

Another point is that it potentially makes asset acquisitions more attractive in a case where you want to use shares for those asset acquisitions, or for convertible debt or shares for debt issuances, and so on and so forth.

So, it gives us tremendous increased opportunity and flexibility to do several things corporately that is was just a big, big challenge when we have several hundreds of millions of shares outstanding. So, each one of these factors that I've talked about does result in enhanced ability for Erin to advance Piskanja on terms with methods that are more favourable than what exists currently.

Now, I know the knee-jerk reaction to roll-backs is, a groan and an eye roll and a negative reaction, but I think it's important to take a deep breath and let's think about this logically. So, first of all, stating the obvious, remember, roll-backs do not change the percentage ownership of the shareholders. I know, psychologically, it's difficult to accept that your share position has decreased, but you own, percentage-wise, the same amount of Erin before and after a roll-back. The old analogy that whether you have one

ten-pound rock in your pocket or 10 one-pound rocks in your pocket, it's no difference, you still have 10 pounds' worth of rocks in your pocket. A roll-back is the same thing. So, a roll-back, in and of itself, is fundamentally neutral. It doesn't enhance or deplete the fundamental value, or decrease the fundamental value of the Company itself. So, ultimately, whether roll-back is "good or bad" is a function of what the Company does or doesn't do after the roll-back. So, for this reason, I've always viewed roll-backs as being neutral, with respect to the pros and cons. But, we have resisted doing roll-backs to this point, as long as our market stayed enough above the \$0.05 level to allow us the opportunity to properly fund the Company, but that just doesn't exist anymore.

I know that, historically, roll-backs have this bad reputation, mainly because roll-backs were typically used as part of cleaning up a shell company, and so on. In other words, when a company has essentially gone out of business and there's nothing left except the public shell, the new group coming in would roll back the share capital, vend in a new asset, put in a new management team, etc., etc., and we've seen a number of these in the mining business over the last four or five years, where numerous junior exploration companies have overnight become marijuana companies, and so it's typically that use of roll-backs that have hurt the historical shareholders, because the new group coming in has no allegiance to the old shareholders, and so they would roll-back on a ridiculous amount, 20, 50, 100 for one, and do financings at very low levels, and drive on at the expense of the historical shareholders.

This isn't the case with us. Piskanja is worth what it's worth before and after the roll-back. The reason why we all invested in Erin, the reason why we all believe in Piskanja and the boron market, is still there before and after the roll-back. In other words, fundamentally, Erin doesn't change because of the roll-back, but the roll-back does help us overcome this arbitrary TSX \$0.05 threshold that's become an obstacle for us at this point. We're certainly not alone. The TSX mining industry is still down about 45% over the past five years and many, many junior mining companies have found themselves in our position, where they've had to do a roll-back in order to survive.

The one thing that I did recently, for my own edification, just to see how companies have fared after doing a roll-back, and so I Googled TSX venture share consolidation, and I pulled off the first bunch of companies that came up on the Google search. These are not cherry-picked. The only thing that I was looking for were companies that have completed their roll-back within the last 12 months, so that we're comparing apples to apples, and also companies who, like us, are not looking for a change in the

course of their business. In other words, if they were a mining company before the roll-back, they remained a mining company after the roll-back, didn't become a marijuana company, and so on and so forth. I wanted to see what the results looked like.

So, I did some research on 13 different companies, the first 13 that came up that met that criteria on a Google search, all TSX venture companies, most of them in the mining space. I think one or two were in high-tech or pharmaceutical space. But, by far and away, the vast majority of them were mining companies. To my surprise, I have to be fair, 11 of these companies actually gained share value when comparing their pre-roll-back price with their theoretical post-roll-back price. In other words, if they were, for example, trading at \$0.05 before the roll-back and they did a five for one roll-back, in theory, they should be trading at \$0.25 post-roll-back. So, I wanted to see where they actually stood relative to that theoretical roll-back price. To my shock, of the 13 companies, 11 of them actually gained value, and significant value, gained on average about 27% after the roll-back. One company was neutral, meaning if it was \$0.05 before and did a five for one roll-back, it was actually trading at 25 after, and one company lost value and it lost 17% after the roll-back.

So, the results of this little sampling that I did was that, in fact, on average, the roll-back resulted in an increase in the company's market cap in the short term. What happens longer term, what happens after the fact, of course, is a function of what's going on corporately and not a function of the roll-back itself, but I wanted to take a look at that, as well, and so, actually, this morning, before I got on this call, I went online and pulled up the share prices of these companies once again, and what I found was that of these 11 companies that gained value after the roll-back, 9 of those 11 are still trading at a premium to their theoretical post-consolidation price, and the one company that was down right after consolidation was flat today relative to its theoretical post-consolidation price. So, basically, 10 of the 13 companies have not suffered any sort of market cap loss as a function of the roll-back and, in fact, most of them quite the opposite.

This was just one little test that I did for myself to prove that roll-backs don't necessarily have to be that big evil thing and the stereotypical fall after the roll-back does not have to happen. In fact, if you have things going on corporately that are positive post-roll-back, that reflects itself, as well. One of these 11 companies that I was talking about did their roll-back in January of this year and their post-consolidation price should be \$0.24, but today they're trading at \$0.80. Obviously, that's not just because of their roll-

back, it's because of what's going on corporately after the roll-back and they've closed several millions of dollars' worth of funding and have acquired a significant looking new project. So, the take-home lesson is, is that the roll-back in and of itself is neither good nor evil, it's what you do with your company post-roll-back that's going to ultimately determine whether or not you gain value for shareholders or lose value.

In our case, I think that using the roll-back to help facilitate the steps that is required for us to reach our ultimate goal of having a going concern mining operation at Piskanja is—in other words, allowing us the opportunity to fund the project, advance the project, and therefore build value, is very much a real prospect, and the opposite is true, as well. A rejection of the roll-back will make our task extremely complicated moving forward, very difficult moving forward, in terms of funding Piskanja and moving the project forward. I really think it's that simple, that the roll-back gives us the opportunity to continue on and turn Piskanja into a going concern mining operation, rejection of a roll-back is going to make it very, very difficult, without a Hail Mary, without something coming through that's beyond our direct control.

So, what I'd like to do now is just open it up to a quick question-and-answer period. We do have, as I mentioned earlier, a number of shareholders who have live mics and have been asked to participate, to the extent that they'd like to. None of this is rehearsed, I have no idea what questions are going to be thrown at me. I would simply ask that please state your name so I know who I'm talking to and please speak loudly so that I can hear you, and remember once again that we can't answer questions that require us to speculate or reveal information that's not in the public domain or divulge trade secrets. So, with that, I will ask if anyone has any questions.

Blake, do you have anything that you would like to add?

BLAKE FALLIS:

Could you cover again, because I think it's important, what sort of timelines we're looking at with respect to advancing the project and keeping our licence in good order?

TIM DANIELS:

Sure, okay. Again, I stated that as being our primary business development goal, being our exploration program. We require—to do all the work that we need to do to take the project all the way through to a

feasibility study level, we require about 12 months' worth of work on the ground. Under the best-case scenario, and that's running hard, that's assuming everything goes perfectly and we've got all the funds in our back pocket that we need to complete the work, we think that budgeting 18 months to complete the work is prudent. It just allows for enough slack time to make sure that any hiccups along the way—or sometimes, I mean, it's the nature of exploration work, where you do a certain amount of work, expecting that work to answer questions, and the end result of that work is that it actually creates additional questions that you weren't anticipating. Exploration is always a bit of a dynamic process. So, we think that budgeting a 12- to as much as an 18-month window to complete all the work is sufficient to do the work.

In terms of our licence, we have a total of 36 months left on the licence to complete the work that we need. So, we've got, I think, comfortably double the amount of available time than what we should need under, I would hope, the worst-case scenario. So, we do have comfortably enough time, but we have to be aware of that. We have to be aware that the clock is ticking. We have to be aware that under Serbian rules you are required to complete the work to get your new licence extension, meaning you don't own the licence indefinitely, your feet are to the fire, and I have seen—I can cite several examples of companies in Serbia over the last few years that haven't completed the work that has been required of them and they have lost their licence. So, I can't stress too strenuously the importance for us to, first and foremost, beyond anything else, complete the work on the ground that we need to do to keep our licence in good standing.

But, the good news is, is that same work, of keeping our licence in good standing, substantially increases the fundamental value of our project, it substantially de-risks the project, it puts us substantially closer to cash flow on the project, and so on and so forth, and all of those things put us in good standing with respect to new and, should I say, larger investors; i.e., institutional investors, that sort of thing, who a lot of them will not, cannot invest in a project until it's completed a feasibility study level of work on the ground, knowing full and well that they're paying more for the company at a feasibility level than at a pre-feasibility or a PEA level, but they're okay with that. In fact, oftentimes, they're not only okay with that, they're mandated that way, where they're not allowed to invest prior to a feasibility level. The same thing goes with a lot of potential strategic partners, where, for them, maybe because they're not directly in the mining space and so they have limited ability internally to do their own due diligence on a mining project, they're waiting for us to get to a feasibility level.

So, there's no down side for us to advance this project to feasibility. It is a required step in any case, regardless of what other developments happen for us corporately. Whether it's a strategic partner coming in or Pobrdje mine coming in, none of those things replace the need for us to advance Piskanja through to a feasibility level, as the first step, and then, of course, the logical step, once you're at feasibility, is mine development, but step by step. The first big milestone for us is taking it through to feasibility.

So, all that is a longwinded way of saying that we've got about three years to do a year to a year-and-half's worth of work that we absolutely must do, and the only way that we can ensure that we do that year to a year-and-a-half's worth of work on the ground is by having the money in our pocket to do the work, and the only way that we can be sure to have the money is by doing the roll-back, which affords us the opportunity to continue with the fund raising, while we work towards things like joint ventures with strategic partners, and while we work towards off-takers, and all these other developments, which will be fantastic if, as and when they come through, but at this point we can't put all our eggs into that basket. That's a little bit of the unicorn hunting. Maybe it exists, maybe it'll happen for us, and if it does, hey, great, that's great news, and we'll take it if it happens, but our only sure way to project development is by funding it through to feasibility and keeping things moving ahead that way.

BLAKE FALLIS:

Okay. Is there anybody that has a question now?

JOHN WEIP:

Yes, hey, Blake, John Weip (phon. 8:17, Part 2) calling, online here.

TIM DANIELS:

Hi, John.

JOHN WEIP:

Hi, Tim. A couple of things. First off, I'm keenly aware of the ongoings with the Company through PEA and SRK, and all the types of various issues regarding timing and they're outside of management's

control.

TIM DANIELS:

Okay.

JOHN WEIP:

Some things that have been tempting for the common investor in the Company have been some—maybe not exactly newsworthy—well, not newsworthy by corporate standards or Exchange standards, but certainly there's been some suggestion through Serbian media that Balkan Gold will be doing business with the Serbian government in any given period of time, and I think we've seen two or three things like that come out.

TIM DANIELS:

Yes.

JOHN WEIP:

So, with you having sent a news release out suggesting the same thing, that we're in negotiations with the government, and with the need to protect our investment as a corporation through legal management of Ibar Mines, can you express a level of confidence or timing regarding us having the ability to expose and exploit that asset?

TIM DANIELS:

Sure, okay. Great question, John, thank you for that. I'll try to backfill a little bit first and then go specifically into your question. Yes, we have been for some time in discussion with the government with respect to Pobrđe and we think we've come up with an elegant solution that fits everybody's needs, and the feedback has been nothing but positive at all levels, and I stress that, at the federal government level, at the municipal government level, within Ibar Mines' management, within the union of Ibar Mines. Anyone and everyone who's a part of the food chain at the Pobrđe mine is for our proposal. So, then, that begs the question, so, then, why isn't there just a quick agreement that everybody signs and we move on, and the answer to that is not so quick and simple.

The complexity in the situation itself—first of all, one other thing I'll address, and that's that, yes, there

have been several different media reports in the Serbian media suggesting that the deal is going to be done imminently. I hope they're right. Now, I do know that there have been a number of these self-imposed deadlines by the Serbian government with respect to this and other matters, and oftentimes, their self-imposed deadlines will come and go and nothing happens. I've learned to take the Serbian government's own deadlines that they put out as mere suggestions and guidelines rather than hard and true factual statements. But, clearly, they're positive towards this sort of development with us, as are we, obviously.

Now, the complexity, going back to it, and why it's going to take or has taken some bit of time to sort out the legalese in this—and I won't bore you with all the details and complexities, but there are a few challenges in it, and only part of it relates to the fact that Ibar Mines and its parent company, JP PEU, which is the underground coal mine that operates all the underground coal operations across Serbia, they're technically in bankruptcy, and that makes for a complexity, but not the only one.

Another complexity is that at the same time that JP PEU and Ibar, and other companies like them, are technically in a state of bankruptcy, they at the same time are going through privatization by the government, where the government is looking for any sort of joint venture partner or buyer, or for these companies to find their own sourcing of outside financing, or whatever it will take, because the World Bank and EBRD and IFC, and other organizations, have basically told Serbia that they must act quickly to cut off the umbilical cords with respect to these crown corporations that are drowning in debt and pulling the Serbian government down with it. In other words, the IMF has said, "We're not giving you any more money until you divest yourself of these debt assets." So, that's going on. On one hand, they're privatizing the company; on the other hand, the same company is in a state of bankruptcy proceedings.

Those are some of the complexities that we have to weave our way through, and there are other less understandable ones to the layperson who spent less time in Serbia than I have. For example, Ibar Mines technically, by its mandate, can do nothing outside of the coal business. The only thing that's ever been given corporate approval to do is underground coal mining. Yet they have a mining licence for a boron mine. This is a complexity that kind of stumps some of the government lawyers in understanding how this came about and how to unravel it.

So, I think it's sufficient to say that there right now is an earnest effort on the part of the various government departments that need to be involved and everybody around the food chain with respect to this deal, there's an earnest effort by all those parties to find the solution that allows us to put our capital into Pobjrdje safely, with the protection that you normally wouldn't have putting your money into a company that's in a state of bankruptcy, or co-investing in a project that's owned by a company in a state of bankruptcy. So, it's been working its way through that system for some time within the Serbian government, and it does involve a few different ministries, because, of course, it's a mining asset, so it does involve the Mining Ministry, but also the privatization is handled by a different ministry, bankruptcy is handled by a different ministry, and so on, and so there are numerous ministries that need to be a part of the process to untangle this mess, so that we can get our hands on the asset. So, once again, the good news is, is everybody wants it to happen and now they're just working through the legalese to make it happen.

What has delayed it for the last several months has been the ascension of Vučić. Aleksandar Vučić, who was the Prime Minister, moved up the ladder to President a couple of months back, leaving a vacancy at the Prime Minister level, and all the ministries below that know that when a new Prime Minister comes in there tends to be a certain amount of shuffling of the Cabinet, and so on and so forth, and so they've basically been in a holding pattern for the last few months, waiting for the Prime Minister to be named, so that they're sure who is going to be running which ministries and can therefore get back to work with new business. So, it's basically been a caretaker government, so to speak, for the last few months with respect to new business, like ours. The good news is that the Prime Minister was just named in the last day or two, so I think, finally, we're going to be able to rekindle things and find that way to proceed with Pobjrdje that affords us the opportunity to do what we want to do at Pobjrdje and at the same time protect our interests there. So, we're working towards that, and I'm optimistic.

Putting a percentage on it is very, very difficult. Again, just even things within our own control—mining, by its nature, is an inherently risky business, and so even putting percentages on things that we control is sometimes a challenge, let alone putting a percentage on the chance of something happening that is outside of our control and does involve so many outside parties. We feel good about it because there is total cooperation by all the different parties that want to see it happen. So, I think I'm safe in stating that, assuming there's a legal way for this to happen, it will happen. I think that's a safe assumption, because everybody does want to make it happen, and it's good for everyone, and it really does make

for a terrific pilot project for us and give us some immediate cash flow and significant contribution towards the development of the Piskanja mine, and learning the boron business, developing a customer base today, training workers that then get ported over to the large mine once it opens, and so on. So, it really makes for a terrific pilot project for us, and we are the only logical partner for this to happen and the government is well of aware of that, and so there is the will to make it happen, so I'm optimistic that it will.

BLAKE FALLIS:

All right, any other questions? I have a couple more questions I wanted to add, Tim, because these are questions that I've gotten from shareholders as they've called in. I'm sure there will be others that would like to hear the answers to this.

TIM DANIELS:

Yes.

BLAKE FALLIS:

There's a few of them. What guarantees do you have refinancing post-roll-back?

TIM DANIELS:

Yes, of course. None, absolutely none. The only thing we can guarantee is that the status quo makes our life very, very challenging and puts the project at risk. Doing the roll-back certainly makes it much easier. As I think I stated earlier, Blake and I have been successful in raising several tens of millions of dollars for Erin and other projects. On Piskanja alone, we've raised something, \$13 million, \$14 million, so raising another \$4 million or so is certainly doable, we know that, we know our capabilities. It's difficult enough in this environment, with the normal challenges that you face and objections that you face convincing investors to invest in a project that's going through development, without asking them to also buy it at a premium. Yes, I know our markets at \$0.04, but buy a \$0.05 private placement is a difficult, difficult sell, that I don't have to tell Blake.

So, what I can say is that we've had numerous meetings over the last several months with new interested parties, and very interested, parties that have done a significant amount of due diligence, and these parties being brokers, large retail investors, institutional investors, and other financiers, who

are very intrigued, who like the cut of our project, love our numbers, have been getting their head around the boron market, and so on, but the one objection that keeps coming back time and time and time again from many of these is the number of shares that we have outstanding, they're very concerned about that, and so we asked the point-blank question, "So, does that mean if we do a consolidation and there's a substantially fewer number of shares outstanding, that you will, with certainty, invest?" and, of course, nobody is willing to give us that, but I think it's safe to say that our current capital situation has prevented several potential investors and brokers and financiers from participating, beyond a doubt, beyond a doubt, because they've told us that straight up, that they're very concerned with our capital outstanding, the number of shares outstanding.

So, is there a guarantee? No. But, it gives us a much better fighting chance to raise the funds that we need by doing the roll-back, and as I said, from the bit of research that I've done, and there's lots of examples like this out in the marketplace today, sometimes just in and of itself, doing the roll-back allows for some degree of success in things like investor relations work, in having a news release move the market, that isn't available to you when you just have too many shares out there in front of you.

BLAKE FALLIS:

Okay, unless somebody else wants to jump in with a question, you've announced that you are in discussions or in due diligence with potential partners.

TIM DANIELS:

Yes.

BLAKE FALLIS:

Why don't you just get one of them to write a cheque?

TIM DANIELS:

Well, sure, and that's what I call "unicorn hunting," it's great when you can bag one, but you can't count on it. The only thing that we know for sure, the only thing in our grasp, the only thing in our control is moving the project itself forward. We can't control if, as, and when a strategic partner is finally going to bite or on what terms they're going to make an offer or how long negotiations are going to take, and what we can't afford to do is to sit back and do nothing, hoping for that winning lottery ticket, hoping to

bag that unicorn, and allow the opportunity for us to continue to fund and develop the project ourselves slip by and at the end of the day we end up with nothing. I can't do that. I would be remiss to all of you as shareholders if I take that course of action. If I essentially say our best strategy today is to take whatever money we have left in the till and buy lottery tickets and hope for the best, cross our fingers, that's not responsible, that's not the way to go. The only thing in our control is putting money into the ground, advancing the project. That, I know we can do. The risk associated with that is minimal, the chances of success of doing that is high. As opposed to a strategic partner, I don't know. I mean, we've got lots of talks going on for sure, and we have for a number of years with some partners, but can I say with any sort of confidence that I know that a partner is going to come to the table with a deal that we're all happy with and do it in a timely fashion so that we can do the work on the ground, I can't say that, I don't know that to be a fact. If that happens, that's great, and we'll never take that off the table.

But, it's not necessarily an either/or. This is not a zero-sum game, where you can only do one at the expense of the other, or if you do one, you lose at the other. We can do both. We can start advancing the project, as we're able to, on the ground, and if in the meantime the white knight rides in with a bucketful of cash, in the way of a joint venture partner, great, we jump at it and we finish the work with their capital. That's fine, I'm happy to do that, but that scenario doesn't present itself to us today, and so I have to—as management, I have to take the most logical, prudent course of action to give our Company, our shareholders, our stakeholders the best chance at success, and the best chance we have at success today is to do what we know how to do, which is raise money and develop the project.

BLAKE FALLIS:

Okay. Anyone have any other questions?

DON SENYAKA:

Tim, are you there?

TIM DANIELS:

I am.

DON SENYAKA:

Tim, Don Senyaka (phon. 29:03, Part 2) here. I was just wondering, if you were to get the small deposit, do we have the wherewith what to advance that on our own?

TIM DANIELS:

Okay. Good question, Don. First of all, I've got to say good to hear your voice, Don, it's been a long while since we've chatted, and you've always been one of my favourite shareholders, so I've got to say welcome to the call, first of all. Yes, great question. What I can say that we have access to the money, for sure, because it's a different animal. The money that's required for the small deposit, to put it back into production, is roughly \$3 million, and, again, I say "roughly" because a lot of the funds are in different currencies and it depends on the currency exchange at that particular moment, etc., etc., and costing of some of the equipment that we costed out several months ago, some of that equipment might be more or less expensive today, etc., etc. So, roughly \$3 million to get the small deposit back into production.

What you're talking about in terms of payback on that investment is literally a couple months, literally a couple of months. What we're looking at is 30,000 tonnes a year of 40% B₂O₃. The market value of that 30,000 tonnes today, of the colemanite, is roughly \$15 million. We're looking at all-in, after costs, of netting out something close to about 70/75% of the top line revenue, so it has very, very good positive cash flow potential from this, and so you're literally talking about a couple-month payback on the investment. So, there is all sorts of different investors, institutional investors that are very interested and willing to fund that, several of which that we've talked to and they've stated that openly, that that's something that they're interested in funding. So, it's a different animal. Finding exploration money for Piskanja and finding development money for a going concern mine, those are funds that come from different pots, different sources. So, it's not a problem.

DON SENKAYA:

Just in closing, number one, if I may, I know kind of from what I know, you will more than exceed that 30,000 tonnes. Myself, you know, I feel that that deposit, there's more to it than what we know.

TIM DANIELS:

Sure, right, okay, and a good observation, Don. We've had the same sort of discussion internally, that

there very well could be more than what has been delineated at this point in that deposit. We do know that the deposit is still open in two directions, and we do know from our geologists, who are familiar enough with the whole basin and with that small deposit, to make the judgment call, that, yes, there's a good chance that the small deposit holds more than what we know at this point, which is great, and, again, those sorts of things I view as purely a bonus. I'm going into the discussions and negotiations on the small deposit believing that we're looking at 30,000 tonnes a year for about a four-year period and knowing in the back of my mind that, yes, it does have certainly potential for more than that, but that's a bonus. I'm discounting that to zero at this point. I'm not counting on that. If it has it, great, but if it doesn't—I like to look at the worst-case scenario and if the real scenario comes out to be something better than that, that's a bonus, that's a good thing. But, you're absolutely right. Our geos look at that and say, "Yes, there's more in there than what Ibar knows at this point."

DON SENYAKA:

Thank you, Tim.

TIM DANIELS:

Good talking to you, Don.

BLAKE FALLIS:

I have another question for you, Tim.

TIM DANIELS:

Okay.

BLAKE FALLIS:

In order to raise money now, why don't you just do an off-take agreement?

TIM DANIELS:

Okay. Well, again, I put that into the same category, it's unicorn hunting again. It would be great and wonderful if it was available to us. To this point, it's not available to us. For us to just hope and pray isn't good enough. That's not a smart business strategy, just to hope and pray. Off-take agreements, probably what you're talking about is a forward sale, because off-takes just tend to be contracts based

on future delivery. A forward sale is somebody paying you today for future delivery, and then using that money that's been discounted from the market price of the product to do the development, and that's great and it works in precious metals. You see forward sale agreements in the gold market and the silver market, platinum, and a few other commodities. Boron isn't one of those markets. Boron contracts tend to be—and, again, I'm not going to get into great detail, because this kind of is getting a little too deep into the weeds and also getting a little bit too much into some of the corporate strategies, and that's not something we want to talk about in great detail with respect to the boron market itself. But, suffice it to say that most of the contracts in the boron business are very short term, meaning 12 months or less, and so for a buyer who generally is only buying product—only interested in buying product for the next 6 to 12 months, to convince them that they should be buying the product that we can't deliver for 3 years, maybe more, we don't know, is something that's difficult for them to get their heads around, number one.

Number two, even in the gold business, where you do find the forward sales, generally speaking, from my knowledge of it, you're not going to find forward sales that happen many, many years before production. It's generally projects that are on the cusp of going into production or that have some limited production and they're trying to ramp up, or are at full-fledged feasibility and looking just for the capital to put the mine into production, but even in the gold business, where forward sales happen most often, I think you'd be hard pressed to find forward sales that happen prior to feasibility study level. It's just too early for that sort of an animal, even in markets that are comfortable doing it, and the boron market is just not that sort of market.

So, again, it's wonderful if we can do that, it's a bit of wishful thinking, there's reasons why the market would shy away from it, but still, to throw a little cold water in your face, the cold hard reality today is that that option doesn't exist to us. We don't have somebody willing to front money today to take delivery of boron in three/four years down the road. It doesn't exist today. So, for us to put our eggs all into that basket and hope and pray that that becomes a reality is foolhardy and it's certainly not what I would consider to be a wise or prudent strategy by management to take. We've got to take the path of least resistance, the least risky way for us to get from where we are today across the finish line, and that means getting to feasibility, while we work on these other avenues of potential project developments, but we can't put all our eggs into that basket, it's not prudent.

BLAKE FALLIS:

Great. I have one more question. It's two parts. The first one is why seven for one; and two, is this the earliest possible time we could have a vote to get this ball going again?

TIM DANIELS:

Yes, okay. The second part I'll answer first, because that's the easiest, and the answer there is yes. It's similar to a regular AGM, in that there's certain notices and documents that need to be filed, and so on and so forth, and so we put this onto the tightest, shortest track that it could be put on and that took us to August 11. So, once we decided that we wanted to pull this trigger, there was no dilly-dallying, this is the shortest track possible, and that's dictated by TSX rules, corporate governance rules, etc., etc. Our lawyers did what they could to put it on the fastest track.

The first part of the question, why seven for one, there's no magic, there's no right or wrong. What we wanted was a roll-back that was—I mean, if you're going to do a roll-back, you might as well make it worth while. To use the extreme example to make the point, if you did something at the low end, a two for one, well, then, you took your stock from \$0.04 to \$0.08. After the roll-back, it drifts back down to \$0.05, you accomplished nothing. You're literally back to that same \$0.05 stumbling block that we're trying to avoid by doing this roll-back. So, you want the roll-back large enough so that you're comfortably beyond that arbitrary \$0.05 limit that's put on us by the TSX.

On the other extreme, well, I mean, you could do whatever size you want, you could do a 10 for 1, a 20 for 1. What we felt, though, was that—I looked at it on the basis—I worked through the scenario of how many shares we have outstanding after we do the roll-back, assuming that the 7 for 1 was approved, and then on top of that looked at the financing scenario to get us through to feasibility and how many shares that would generate, and at the end of the day, once we were at feasibility—and this was assuming no upward or downward movement from the theoretical pricing that you'd be at post-consolidation, and I wanted to see where that would leave us, and I wanted that number to be well short of 100 million shares, so that we're still in a position, even once we're at feasibility, to do some of the things, have the flexibility and have the opportunity to attract different institutions, and so on and so forth, without being in a position of having hundreds of millions of shares outstanding once again.

There seems to be this psychological limit of 10 for 1, where—oftentimes, when I see companies that

have just become shell companies, they just do this very arbitrary 10 for 1 roll-back, and so, for whatever reason, the 10 for 1 number seems to leave a bad taste in people's mouths. Then, when I started to look at other deals across the board that have done roll-backs, and it's numerous—I mean, if you're in the junior exploration space over the last few years, God, there's been lots of roll-backs, for sure—just to see what kind of the sweet spot was, what companies were doing, who were starting with numbers of shares like ours, and it seemed to be in that range of anywhere from 5 on the low side, 10 on the high side. So, that's it. There really is no deep, dark magic formula behind 7 for 1, other than the explanation that I've given, so it's certainly somewhat subjective, for sure.

BLAKE FALLIS:

Okay. Anybody else with another question? Okay. If there are no further questions, then I'll guess look towards wrapping up the call. We're heading towards the two-hour mark here. Tim, is there anything that you'd like to wrap up with?

TIM DANIELS:

Sure. Just simply to say, as I always like to say at this stage, that once again we want to acknowledge and show our appreciation for you people taking your time out to join us on this call. It's all of our Company and I think it's good for us to have the input and feedback, good and bad, to know where folks stand, and the two-way dialogue is useful and important, I think. So, I think this is a good forum through which to efficiently communicate back and forth, so I do find these discussions to be productive. Once again, thank you all for your continued support of Erin Ventures, for your continued patience and perseverance, and, again, just keep in mind all the good reasons why we all thought this was a good investment hasn't changed, it's still there. The boron is still in the ground, we still want to get it out, and we think we can make a tonne of money doing that. I always try to stay focused on that and I hope you do, as well. So, thanks again for your participation and we'll talk again soon.

BLAKE FALLIS:

Yes, thanks to all that participated. This is a work day and a big chunk of your busy day, so thank you for that, and thanks for the presentation, Tim.

TIM DANIELS:

Okay, all right.



BLAKE FALLIS:

Good-bye to all.

TIM DANIELS:

Okay. Bye, everyone.

OPERATOR:

This concludes today's conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.

