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QUARTER RESULTS CONFERENCE CALL
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OPERATOR: Welcome to the Polaris Minerals Corporation Third Quarter Results Conference Call. At this time, all participants are in a listen-only mode. Following the presentation we will conduct a question and answer session. Instructions will be provided at that time for you to queue up for questions. If anyone has any difficulties hearing the conference, please press star followed by zero for operator assistance at any time. I would like to remind everyone that this conference call is being recorded on Thursday, November 15, 2007 at 11:00 a.m., Eastern Time. I will now turn the conference over to Marco Romero, President and Chief Executive Officer of Polaris Minerals Corporation. Please go ahead.

MARCO ROMERO (President & Chief Executive Officer and Director): Thank you. Good morning my name is Marco Romero and I am the President and CEO of Polaris Minerals Corporation. We are pleased to welcome you to our 2007 third quarter results conference call and we will update you on the progress been made by Polaris on Vancouver Island in California and in our target markets.

Over the course of this call and with the help of my colleagues David Singleton, Herb Wilson and Lisa Dea. I would like to review the principal events and achievements of the last quarter and to share with you some of our major challenges and opportunities as we look forward. As you will

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see this has been a transformational quarter for our company. We have made major progress towards our goal of building a leading supplier of high quality aggregates, competitively servicing the West Coast North America.

Before starting, I'm required to advise you once again that during the course of the conference call there maybe forward-looking statements, which involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of company or industry to be materially different from any future results performance or achievements expressed or implied by such forward-looking statements. Once again, we are trying to tell you that we still don't own a crystal ball that actually works.

As I stated in my introduction, I'm very pleased to be able to report that the third quarter has proven to be a truly transformational period for Polaris. We have made very important steps in setting the stay short we expect will be a period of very solid growth. The most notable event of the period was the conformation of a strategic alliance with Cemex, one of the world's leading construction material companies. With this agreement Polaris has become Cemex's exclusive supplier of marine imported aggregates in California, Oregon and Washington. And at the same time

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Cemex has become our exclusive distributor for Orca Quarry products in these markets.

Cemex also stands to be our partner for all future port terminal developments and eventually in the distribution of products from our proposed Eagle Rock Quarry. It's worth highlighting that Cemex will purchase all of these products at market prices. Cemex also brings to the table immediate and exclusive access to two terminals in the San Francisco Bay area with more to come in the near term. We have also embarked on a mission to secure additional terminals in coastal cities along the US West Coast and most notably in Southern California. As you can see at this early stage of our business plan our alliance with Cemex represents a majorily (phon) forward for Polaris and our First Nation partners.

During the quarter we continue to ramp our production at the Orca Quarry initiated what we anticipate will be regular aggregate shipments to Hawaii and accelerate our deliveries to the San Francisco Bay and Vancouver area markets. It has been particularly gratifying to actually see our products transform into everything from bridges to skyscrapers, water treatment plants, highway interchanges and major commercial buildings. But best of all it has been extremely gratifying to hear our customers

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express their appreciation for the exceptional quality of these products in our services.

I'm happy to report that the first shipment of sand and gravel from the Orca Quarry was recently loaded at the Richmond Terminal in San Francisco Bay. Commissioning of the truck load-out facility has also been successfully completed thus opening up a further strategic gateway into the San Francisco Bay market while we experience some delays in completing this facility I'm pleased to report that it has been done essentially within our cash budget. Herb Wilson will review this fantastic achievement in more with you in a moment.

As we previously reported in earlier quarterly conference calls securing terminal capacity is the key to opening new markets and improving our logistical efficiency, particularly during our start-up stage when we have the fewest delivery points. This challenge clearly manifest itself during the last quarter when prior to the conformation of the Cemex agreements the receipt of California State Certification for our products and the completion of the Richmond Terminal we loaded two ships lightly in order to service the needs of one of our customers, thus incurring extraordinary high shipping cost per tonne for these shipments. I am pleased to say that since then this has not reoccurred and that we expect

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our sensitivity to such events as well as the risk of these reoccurring to decrease, as a number of delivery terminal in our sales volume increases.

During this quarter we also experienced a severe appreciation in the value of the Canadian dollar relative to the US dollar, this manifested itself as an increase in operating cost at the Orca Quarry, something further magnified during the start of period when we experienced some of our highest Canadian dollar denominated cost.

As we ramp up production amortize our fixed cost over greater tonnage, we expect to see our cost of sales to become less sensitive to the impact of the higher Canadian dollar relative to our margins. Some of that is how it is possible for a new aggregate producer such as Polaris to sign up one of the largest aggregate customers on the West Coast to multi-year supply agreements.

As we are learning it is the scarcity of alternative supply options in these markets as well as our product quality that is opening these doors for us and ultimately stealing the deal. We've talked before about the spectacular quality Orca products and now we are hearing the same from our customers. We've heard conformation that before Orca came into the market our customers faced dwindling local aggregate reserves in very limited and competitive long-term supply alternatives. The timing, scale,

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long life and quality of the aggregate supply we are bringing to market has allowed us to secure unprecedented 20 years agreements with Shamrock and Cemex and has allowed us to successfully compete in markets such as Vancouver and Hawaii. We expect these competitive advantages will continue to open doors for us.

We have heard a lot about the recent residential construction decline in the US, but not everyone has heard of the ongoing commercial construction activity in California know the accelerating infrastructure spending. Our customers are evidently in a transition phase right now, the decline in housing construction was very abrupt and the increase infrastructure construction activity has been naturally much more gradual, aggregate demand is down, but it is already very telling that we are seeing ongoing strong demand as the overwhelming majority of our products now are being utilized in infrastructural projects.

We see this is as another manifestation of the commonly counter-cyclical nature of the two principle components of demand. When private sector spending goes down public sector spending generally goes up and vice versa. We are continue to experience growing product sales and we anticipate this to continue for the foreseeable future as infrastructure

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spending accelerates over the coming years. And this is no small – in no small way due to the excellent quality of the Orca Quarry products.

David Singleton, who is a Founding Director of Polaris and also heads our US operating subsidiary, will report in more details about our market in a moment. I hope I am not stealing David's abundant thunder, but I wanted emphasize that we believe our prospects for accelerating sales volumes over the next few years remain solidly on track.

One significant and unavoidable change that has occurred this year, particularly during last few months has been the strengthening value of the Canadian dollar, until last week the dollar had increased about 25% this year over the US dollar to level that we were – that were considered inconceivable by most even a few months ago. Several people have recently asked us what the strong Canadian dollar means to us and how it will affect us in a long run.

Today's dollar is at 102.5 down from 110 only days ago, where is the dollar going, everything we are hearing is that the Canadian dollar is not sustainable at these level and that is easy for us to believe, still we are aggregate experts so or so we would like think, not currency market experts. So what does this means for Polaris, we are a Canadian exporter who gets paid predominately in US dollars, yet most of our cost namely

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shipping and port cost are also in US dollars. Our quarrying cost are in Canadian dollars, but at this stage they are significant offset by our Canadian dollar revenues, although I must point out that we do not expect in the short to medium term that the growth in our Canadian dollar sales will keep pace with anticipated growth in US dollars sales and their related Canadian quarrying cost.

Since we are in the initial production ramp up phase of the Orca Quarry our ratio of US dollar revenue to Canadian dollar cost is still small relative to what I expected will be in the next few years. So the currency fluctuations are having a relatively small affect on our operating cash flow per share at this point, it is noticeable, but not that material. However, there is another effect of a strong Canadian currency that could work in our favor a possible silver lining and it maybe far more significant and positive in the outcome we have experienced so far. If the feasibility study of the proposed Eagle Rock Quarry, which we are currently working on, confirms that this project is economically feasible then we could be making massive capital investment decisions relatively soon. Many of the development costs of this project, plant, and mining equipment, steel, cement et cetera are denominated in US dollars. The result in potential savings could add up to millions of dollars for us.

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We will wait for the completion of the study before we discuss our Eagle Rock production plants and timing and at that time we will be able to focus on this promising project and the potential effects of currency fluctuations with greater certainty and clarity. Nevertheless, we are acutely aware that the potential for significant savings does exist.

We have already noticed foreign exchange effects when we recently ordered from Caterpillar our third scraper for the Orca Quarry and found out the price had come down by around C\$200,000 since we ordered our first two.

The strong Canadian dollar also makes terminal acquisition significantly more favorable for us and even a few months ago and this as you know, remains our top priority.

Just for a moment try to imagine the perfect outcome for us in the safe of the current US currency devaluation. The US dollar would stay low for a while and then recover as we expand terminal and quarrying capacity. In the coming months we would secure additional port terminal sites and also pull the trigger on the development of the Eagle Rock Quarry, all while the Canadian dollar remained high thus allowing us to achieve significant savings in US dollar denominated capital expenditures.

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Then eventually, we would capture increasingly larger margins in Canadian dollars as the US dollar recovered some of its luster.

The appreciation of the Canadian dollar may indeed have a silver lining for us if we can capitalize on the opportunity for US dollar-denominated investments in the short-term. Still, I must strongly state that this is a factor that remains outside our control, but one which we are monitoring carefully.

While the Canadian currency stay high, go higher or go lower we just don't know, and I don't think anyone really does than either. Virtually all the experts have been wrong so far. I am reiterate that our Canadian denominated operating costs are expected to be a relatively small portion of our long-term total operating costs, and because of the contribution made by our Canadian sales we have a partial natural built-in currency hedge. Furthermore, with our large high quality long-term sand and gravel and granite resources and considering the limited competitive aggregate supply options in markets like California, and the anticipated long-term price inflation I have great confidence in our ability to remain a highly competitive aggregate producer. We will therefore focus on what we can control which is producing and delivering to our growing customer base,

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high quality aggregates as efficiently and sustainably as possible. I will now turn the call over to Herb Wilson our Chief Operating Officer.

HERBERT WILSON (Senior Vice President and Chief Operating Officer): Thank you Marco and good morning everyone. I am Herb Wilson, the Chief Operating Officer for Polaris and I am joining the conference from the office, the new Aggregate Receiving, Storage, and Distribution Terminal in Richmond on the eastern shores of San Francisco Bay where we have recently commissioned the final stage of this project to load-out road trucks for delivery to our customers.

This final step followed the first delivery of 56,000 tonnes of sand and gravel from the Orca Quarry which was successfully unloaded into storage here on October 9, in readiness for this final step.

The ship of loading conveyor system easily achieved this design capacity of 4500 tonnes per hour which is a vital factor in maximizing the efficient use of shipping and therefore minimizing transportation costs.

Completion of the Richmond terminal will mark the end of the company's first phase of facility's construction and this terminal together with the Orca Quarry represents investments in scarce assets of the highest quality.

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The Richmond terminal was designed to have minimal environmental impacts while operating efficiently. It has become our shop window for such developments and the quantum lead that represents in aggregate handling in these sensitive locations has been widely recognized by numerous organizations associated with California ports. These market gateways are vital to the company's long-term objectives. And together with the exciting new relationship with Cemex we have positioned ourselves to be regarded as a prime contender for future opportunities.

As I commented at the last quarter, the power construction costs of this terminal are anticipated to be approximately \$1 million above our revised budget, but that is still a reduction of some \$8 million from the IPO prospectus numbers. We anticipate we are going to make an equal and offsetting reduction in sales and used taxes associated with the construction, thus keeping the project inline with our cash plan overall for its development.

Turning to the Orca Quarry, operations have continued to proceed well, and by the end of October total production was just over 1.5 million tonnes with inventories at the Quarry being maintained at a high level enabling

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rapid loading of Panamax freighters well within our contractual time allowances.

Ancillary port costs which are mainly tugs and pilots continue to be high which is due to certain restrictions imposed by the pilots association and the travel time for tugs at the Port McNeill. Reduction of these cost is a priority and certain steps are underway which should produce benefits next year as the growth in the business requires a large number of vessels to be loaded and we trusted satisfactory experience will enable the other restrictions to be gradually lifted.

The quarries good performance enables us now to operate on a single ship basis during the November through March period following which we plan to increase to a full double shift coincident with the delivery of the third mining scraper in the spring Marco referred to that purchased a moment ago.

My final subject is to turn to our second major quarry project, the Eagle Rock granite quarry near Port Alberni which is also on Vancouver Island. During October we shipped a bulk sand full of this granite to the pilot crushing plant operated by Metso Minerals in the US for processing. While the processing confirmed the high quality of this stone as previous trials had done, it also provided valuable data for processed plant design

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together with are prime purpose in producing this major sample was to end up with several tonnes of finished aggregate which we could then distribute to potential customers who now wish to complete their own laboratory trials and evaluation. This process is underway, some talk left this morning on route to Hawaii, for example, and we obviously look forward to learning the outcome from these potential customers.

This vital step will enable us to complete the Eagle Rock feasibility study and I anticipate that should be done during the first half of 2008. So thank you and I will be very pleased to hand over to my colleague David Singleton.

DAVID SINGLETON (Director and President of Eagle Rock Aggregates Inc.): Hi, good morning everybody. My name is David Singleton, I am President of Eagle Rock Aggregates with responsibility for the marketing of Orca sand and gravel to customers presently located in California, Hawaii, and Vancouver. As you have already heard, we sold around 488,000 tonnes of sand and gravel during the quarter through September 30, which was well in line with our best expectations.

In fact as we speak a shipment of 74,000 tonnes is proceeding to the San Francisco Bay where it will lighter at the Shamrock barges before departing to Hawaii. This is just one of many shipments in the current

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quarter which together with regular barge movements are maintaining the sales momentum experienced since the first two barges were loaded for our Vancouver customer on the March 22, 2007.

For all of us at the marketing end of this venture, it was particularly pleasing to receive the first shipment of Orca aggregate into the new Richmond Terminal on October 9, 2007, as Herb reported we expect to commence sales immediately on the completion of the load-out facility.

I have to say that having the Richmond Terminal fully operational it will significantly ease to logistical challenges of matching shipping availability to multi-terminal storage capacity.

I am also happy to report that the Strategic Alliance with Cemex USA, which we announced on September 26, has got off to a flying start. The alliance has already had an alliance committee meeting and two strategy action group meetings to establish day-to-day management reason (phon) and develop plans to progress new terminal opportunities.

Cemex has a significant presence in Northern and Southern California and is supported by highly qualified and motivated managers, whose enthusiasm for the strategic alliance is clear to see. My immediate row supported as I am by Bill Terry the General Manager of California operations whose contribution since joining the company in June 2000 of

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being very considerable is to lead the strategic alliance in convention with our new partners and the identification, permitting and eventual operation of new terminals particularly in Southern California. I hope to be able to report progress in this respect as soon as possible.

In the meantime, we will continue to supply increasing volumes of our high quality Orca sand and gravel to Cemex, and its third party customers as part of the Northern California aggregate supply and distribution agreement. In addition, we will be supplying Shamrock in the San Francisco Bay, and Burnco in Vancouver and to our new customers in Hawaii.

Despite the well documented decline in the private housing market in the US as Marco said private sector and private commercial demand has increased and is expected to continue to help offset declines in the house building market. General consensus in the building materials industry is for neutral 2008 demand levels with modest growth now expected in 2009, against this background, average prices are expected to remain firm.

From – at the logistic (phon) standpoint, this scenario should enable the development of new strategic alliance terminals just in time for a rebounding housing market. Finally, I would also like to refer to the

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increasing levels of interest in the Eagle Rock Quarry granite as a consequence we are mindful that new terminals should where ever possible, have the space to store and distribute up to 5 five sizes of the granite aggregate in addition to Orca sand and gravel. In this way we will be able to direct marketing attention to road construction requirements as soon as an investment decision has been taken at Eagle Rock Quarry and product becomes available. So on that – on this high note, I am pleased to hand it over to Lisa Dea, our Chief Financial Officer.

LISA DEA (Vice President Finance and Chief Financial Officer):
Good morning. On the third quarter of 2007, as you have already heard, we sold approximately 488,000 short tonnes in the California and Hawaii and Vancouver markets for total sales of \$5.5 million. The gross margins generated by these sales were 788,000 or \$1.61 per tonne compared with the gross margin of 845,000 or \$3.22 per tonne in Q2.

Decrease in the gross margin per tonne can largely be attributed to the two the partially relating (phon) freighters that were sent to San Francisco to meet our customers' requirement and then startup base (phon) shipping. Other contributing factors to the reduced margins are the increased quarry cost related to ramp up in production and the appreciation of the Canadian dollar during the period.

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As we move to this start-up phase and begin to realize efficiencies in production and logistics our gross margin per tonne will increase. The total utility sales of 758,000 tonnes are inline with management expectations.

The foreign exchange loss of \$993,000 during this quarter was mainly as a result of the strengthening Canadian dollar on US dollar denominated cash balances, which were being used upon construction on the Richmond Terminal.

General and administrative expenses in the nine month period increased over the 2006 nine month period mainly as a result of increased professional fees and travel related to the negotiations of Cemex strategic alliance and cost related to the transition from the construction phase into operations.

Cash on hand as of September 30, 2007 was \$18.8 million excluding the company's \$5.9 million investment in asset-backed commercial paper. Restructuring efforts are underway by the Montreal Court to address the liquidity issues with the asset back commercial paper and we are hopeful that there will be a positive resolution to this issue. However, due to the lack of reliable information surrounding the outcome of this possible restructuring and the illiquid nature of this market we have reclassified this investment as long term. Furthermore, after assessing the

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available market data, we have estimated impairment in our investment at (indiscernible) and maintenance down by 10%.

Although we have made our best estimate as to the fair value of our asset backed commercial paper, given that the little information exists related to the outcome of the asset backed commercial paper restructuring we may need to revise this estimate in the future.

Additionally the company has sufficient cash resources year through the positive cash flow from operations. Thank you and I will now pass it back to Marco.

MARCO ROMERO, (President & Chief Executive Officer and Director): Thank you very much Lisa. As you can see we've made remarkable progress in the last three months since we presented our last operating results especially when you consider that the Orca Quarry has been in business for only eight months. Could we have done better? Yes. Will we do better? Of course we will. I am satisfied with our teams' performance? Absolutely, and I trust you are too. All in all, this has been another excellent quarter for Polaris we have crystallized substantial value for our shareholders. We have secured a major strategic long-term customer and distributor for our products. We have successfully completed our Richmond Terminal, and working now with Cemex. We are

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advancing with our Terminal development strategy and this while also advancing our Eagle Rock Quarry project, all of which we expect will drive solid value creation and growth for years to come.

In short, we are continuing to do exactly what we said we would do. I would like to thank our extraordinary team on Vancouver Island and California, in Roswell and in Vancouver for their very strong performance, and you our shareholders and partners for your continuing interest and support. I look forward to reporting on further progress as we continue to build Polaris into the next major aggregate supplier on the West Coast of North America. Thank you very much.

OPERATOR: Thank you. Ladies and gentlemen, we will now conduct the question and answer session. If you have a question please press the star followed by the one on your touchtone phone. You will hear a tone acknowledging your request. Your questions will be polled in the order they are received. Please ensure you lift the handset if you are using a speakerphone before pressing any keys. One moment, please, for your first question. Your first question comes from Mansoor Khan (phon) from Dundee Securities. Please go ahead.

MANSOOR KHAN: Good morning. I have quick question about your margins. Over this past quarter there were a number of startup

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expenses that hurt your margins, just curious on normalized basis where would you expect margins to be there early next year, or when you expect these startup cost to diminish?

MARCO ROMERO: This is Marco Romero here. At this stage, we have not given any guidance as to what our margins will be in 2008 and we are little reluctant to do so. What I can say is that we are already, even in this particular quarter seeing margin improvements as volumes increase and as some of the early startup costs, you know, start, you know, bearing fruit. I will remind you that the only number that we put out to-date was the numbers that were in our prospectus and if I recall correctly and I would urge you to confirm this. Our projected margins for 2008 were in the order of around \$5 a ton.

MANSOOR KHAN: Okay.

MARCO ROMERO: And that's not an unreasonable number to use as a base.

MANSOOR KHAN: Okay. Thank you.

MARCO ROMERO: Thank you.

OPERATOR: Ladies and gentlemen, if there are any additional questions at this time, please press the star followed by the one. As a reminder if you are using a speakerphone please lift the handset before

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pressing the keys. Your next question comes from John Hughes from Desjardins Securities. Please go ahead.

JOHN HUGHES: Thank you Operator. Just a couple of quick ones. Can you just remind us what the inventory capacity is at Orca?

MARCO ROMERO: The storage capacity at Orca John is in the order of about 350,000 to 400,000 tonnes at this stage.

JOHN HUGHES: And do you have additional storage capacity elsewhere?

MARCO ROMERO: Yes, there is storage capacity at Richmond about 70,000 tonnes capacity and then there is - of course capacity at our terminals, at our customer terminals. But that's their capacity it's not on our books.

JOHN HUGHES: Okay. And you had noted just with regards maintaining the sales, in terms of sales volume in the fourth quarter. Does that mean like the Q3 over Q2, does that mean we should be looking at somewhere around an additional 200,000 to 250,000 tonnes of sales volume in the fourth quarter over the third quarter?

MARCO ROMERO: John, a little reluctant to put that number out there right now. But we are certainly seeing a – as we put earlier an acceleration in our sales, even in this quarter.

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JOHN HUGHES: Okay. And I did note on the on a per tonne basis net sales versus net cost or you're your cost of sales. Has there been a change, I guess maybe this is more for Lisa. But is there been a change in how you are accounting for some of the costs that are not particularly (indiscernible) whether that be a shipping cost or terminal cost or some of your distribution costs, a shift quarter-over-quarter or is the policy or at least presented numbers the accounting policies is been maintained?

LISA DEA: The accounting policies are maintained, what may have changed or what has changed is that some of our shipping would have been done FAS or FOB and that will affect our revenue per tonne because we require to show our shipping - our pipe is robust, you know, as in our shipping cost offer (phon) prices?

JOHN HUGHES: But we could see quite large variances we did. We went from round numbers, 6 as you noted, I think \$16.30 in Q2 on a net sales per tonne basis as disclosed in your P&L down to 11.20 in the third quarter and that variance is – again part of that variance can be accounted for by how you account for your sales recognition?

LISA DEA: Yes, that's correct.

JOHN HUGHES: Okay. And last on Eagle Rock, again the feasibility being completed by the end of the first half of '08. Does that

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mean that as we enter the second half we would have a production decision one way or another on Eagle Rock?

MARCO ROMERO: John, this is Marco here. It's difficult to answer that one for obvious reason until we know what this study is going to look like until we have the required, you know, pre-requisite terminal capacity in place until we have sufficient customer commitments. It's going to be very difficult for us to talk about pulling any triggers and obviously that is at the discretion of our board and subject to financing. So a lot of subjects here and when we are ready to discuss timing and more details on the project we will do so with home market.

JOHN HUGHES: Okay, good stuff. Thank you very much.

MARCO ROMERO: Thank you, John.

OPERATOR: Your next question comes from Cliff Hale-Sanders from CIBC World Markets. Please go ahead.

CLIFF HALE-SANDERS: Hi, good morning everyone. Just some more questions following on from John's questions about the potential ramp up scenarios obviously deal was Cemex. People are looking at the opportunities for an accelerated ramp up both at Orca and Eagle Rock. One, I wanted to ask you what additional equipment outside of the third scraper which is coming in, I guess in a couple of months. How much of

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that will help you, and obviously your still talking about just one shift. When could we expect to do, to go the second shift and also just more a big picture, if you did want to accelerate your production capacity and the demand was there in all those possible attributes, is there enough shipping capacity versus the contracted shipment capacity that you have currently outlined in the report to take it?

MARCO ROMERO: Hi, Cliff. To answer the first part of your question, there is virtually no investment required at the quarry for us to accelerate to the full rate or the full permitted capacity other than the scrapers and a rule of thumb to utilize for the scrapers, they can do about a 1.5 tonnes a year each. So that, you know, that's one way to look at what our needs will be as we ramp up. As per shipping capacity, as we have indicated in our financials and elsewhere, we have sufficient shipping capacity to deal with our originally projected ramp up. We have been directly and indirectly adding some shipping capacity, for example, through our customers to deal with Hawaiian shipments and there has been some recent increase in shipping capacity and there will be a need to add more if we were to accelerate things significantly over time and that's something that we are now considering.

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CLIFF HALE-SANDERS: Do you know if CSL has enough capacity or do you have other potential vendors?

MARCO ROMERO: It's – this would mean talking about strategy here. But obviously we are in close discussions with CSL, and CSL and their partners have the ability to bring on more capacity. This is not done without certain lead time. The ships are not like taxis, they don't just show up overnight, and as we progress on this, I think we will have more to say, but that whole picture is evolving and being evaluated right now.

CLIFF HALE-SANDERS: I guess, just one question, I don't know if you can really answer. I guess the big part of the story now is obviously with production, you know, you're over the key hump there is just ramping up is now that the rate of acceleration. Is there any color or any sort of outline you would like to put forward as a sort of the best case and sort of the worst case type scenario we should be looking at in terms of your timelines to potentially get, you know, the 12 million tonnes and even 18 million tonnes if you want to bring Eagle Rock on board?

MARCO ROMERO: So, given some of the work that we are doing to develop new markets and new terminals overtime it's difficult for us to give too much guidance. I think things will become self evident and we will be

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able to be a lot more helpful to you as time goes by. So just – we ask you to just be patience for the next little while.

CLIFF HALE-SANDERS: Can you put a timeframe on how patient, like how long, six months?

MARCO ROMERO: Thanks. Good try. No, sorry.

CLIFF HALE-SANDERS: Okay. Thanks for that.

OPERATOR: Your next question comes from Nicholas Vandyk (phon) from TD Securities. Please go ahead.

NICHOLAS VANDYK: Hi Marco. Good – looks like pretty good results this quarter. Just – I think I heard Herb you say you have actually got 1.5 million tonnes produced as of the end of October, is that correct?

MARCO ROMERO: That's correct.

NICHOLAS VANDYK: So, at this point you just going to a one shift a day schedule because you are kind of waiting for your shipping capacity to ramp up?

MARCO ROMERO: No, no quite, actually what's been happening is that we have actually been turning up the plants and in our throughput per hour is increasing. We are talking about a longer shift as well, and bear in mind also that we are now entering into a winter phase when we – when generally there is – the rate of use of the products tends to go down, not

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that we expect our volumes to decrease at all. But yeah, essentially more efficient use of the existing capacity we have at the plant and our workforce, but there is no doubt that, you know, there is – they are going to be under pressure over the next little while and we will need, we expect to increase our hours of work at the quarry, particularly when we get to the spring time and when our new scrapers shows up.

NICHOLAS VANDYK: Okay. Thanks.

MARCO ROMERO: Thank you, Nick.

OPERATOR: Mr. Romero there are no further questions at this time. Please continue.

MARCO ROMERO: Very well, thank you very much all of you who have attended the conference...

OPERATOR: Sorry to interrupt, this is the Operator.

MARCO ROMERO: Yes.

OPERATOR: We actually have a question on the line from Pierre Vaillancourt from Orion Securities. Now we proceed?

MARCO ROMERO: Great. Of course.

PIERRE VAILLANCOURT: I just wanted to ask, you know, with the Cemex deal the terminal capacity that you have got, you know, assuming

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the shipping can accommodate, what sort of production rate could that accommodate?

MARCO ROMERO: Well, like everything, you know, we like a car, for example, we can't just go from 0 to 100 miles an hour instantly everything has a ramp up. Customers need to convert to our products, logistics need to de-bottlenecked over time. But they are starting to be significant terminal capacity before us. Bearing in mind that, you know, they are still, you know, timing and decision making related to the Eagle Rock facility at the Port of Redwood City there is additional terminal capacity that Cemex is currently working on right now and we hope we will bring on the stream shortly. So a number of factors will dictate how fast we can ramp up, this goes back to the, you know, earlier question that Cliff Hale-Sanders was asking, It's difficult for us to give you guidance at this stage, but we are certainly, you know, getting a lot more comfortable with our terminal capacity, certainly in the San Francisco market, not that we are not pursuing more, I should say. But our focus now shifts to Southern California very clearly and that is very much where we would like to reproduce our very strong position – a very strong position like the one we now have in San Francisco Bay and all that put together with, you know,

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the normal ramp up for each one of these individual facilities should allow us to significantly grow our sales over time.

PIERRE VAILLANCOURT: Right, but...

MARCO ROMERO: That's actually an ongoing (indiscernible) right now.

PIERRE VAILLANCOURT: Yeah, but I mean, you know, I recognize you are reluctant to get into any kind of ramp up scenario. But just with what you have now, how much could that accommodate in annual production?

MARCO ROMERO: In practical terms the entire production, this Phase I, the 6 million tonnes that we targeted for Orca could be accommodated by the existing capacity that we now have access to directly or indirectly and that includes our customer terminals Shamrock Cemex, Vancouver terminal capacity, Hawaiian terminal capacity, and our Richmond Terminal now.

PIERRE VAILLANCOURT: Could it go beyond \$6 million in what you have got now?

MARCO ROMERO: Yes. Yeah, yeah we – over time, yes. No doubt.

PIERRE VAILLANCOURT: Okay. Can you be more specific?

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MARCO ROMERO: At this stage I prefer not to Pierre, if you don't mind.

PIERRE VAILLANCOURT: Okay.

MARCO ROMERO: There is a lot still, lot of work in progress yet.

PIERRE VAILLANCOURT: All right. And you mentioned Southern California, how are those initiatives moving on there, anything on the horizon?

MARCO ROMERO: Nothing we can speak of other than we have some very promising prospects right now and we are hard at work (indiscernible).

PIERRE VAILLANCOURT: Okay, and what about plans for an updated resource calculation at Orca?

MARCO ROMERO: As we've indicated earlier, we have been working on increasing our resource and reserve position in and around the Orca Quarry. We haven't reported on it yet because we don't have all the results in hand, you know, we are working right now, conducting geophysics, setting the stage for a drilling program. But we will put that all out in a comprehensive manner to, you know, for the public to see once we have enough information. But it is another one of our objectives in the

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short-term to significantly increase our resource and reserve position at Orca.

PIERRE VAILLANCOURT: Okay. Thanks.

MARCO ROMERO: Thank you.

OPERATOR: Ladies and gentlemen, if there any other additional questions at this time, please press the star followed by the one. As a reminder if you are using the speakerphone, please lift the handset before pressing the keys. Mr. Romero, there are no further questions at this time. Please continue.

MARCO ROMERO: Well, once again, I would like to thank all of you who took the time to listen to us today. We appreciate that you have taken the time to follow us and look forward to providing even more clarity and you know, into our business and obviously and delivering ongoing solid performance. Thank you very much.

OPERATOR: Ladies and gentlemen, this concludes the conference call for today. Thanks for participating. Please disconnect your lines.

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