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OPERATOR: Welcome to the Polaris Minerals Corporation Second 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 the star key followed by zero for operator assistance at any time.

I would like to remind everyone that this conference call is being recorded today, Wednesday, August 13, 2008 at 10:00 a.m. Eastern Time for replay purposes. Now I would like to turn the conference over to Mr. Marco Romero, President and Chief Executive Officer. Mr. Romero, please proceed.

MARCO ROMERO (President and Chief Executive Officer): Good morning. My name is Marco Romero, President and CEO of Polaris Minerals Corporation. I'm joined today by my colleagues David Singleton, Herb Wilson and Lisa Dea and we're pleased to welcome you to our 2008 Second Quarter Results Conference Call. Herb Wilson, our Chief Operating Officer and I will deliver this presentation on behalf of our management team we're opening up the call to your questions.

Before we begin, I'm required to advice you that during the course of the conference call, there may be forward-looking statements which involve known and unknown risks, uncertainties and factors which may cause actual results performance or achievements of the company or industry, immaterially different from any future results, performance or achievements, expressed or implied by such forward-looking statements.

I want to begin with some comments on the milestones we have crossed and on the events that have taken place over the past few months. And I will pass the call over to Herb who will talk about our financial result and operating results. As always, we appreciate your interest and hope that you will find our presentation informative and useful.

Talk about the underlying strengths and solid fundamentals of our business plan in past conference calls, I believe our second quarter financial and operating performance clearly demonstrates strength. We are currently in the midst of an unprecedented slow down in construction activity, the U.S. depth and extent of which has not been seen in decades. To fight these economic headwinds we continue to grow our business in a solid and prudent manner. We're weathering to current storm extremely well. It is important to remember that construction activity occurs even during a slow down and there is still a good base load of business to be had. It is also important to remember that our industry is cyclical and although the level of building activity is at a low point, it won't stay there for long.

When construction activity increases, whether it is commercial/residential or infrastructure, and demand for building material increases, it will be in a great position to satisfy this increasing demand. There is growing evidence that the decline in demand has or has bought any note and we anticipate that it will begin to rebound before long. Particularly as California gradually increases infrastructure spending. Sold 500,000 tons of sand and gravel during the second quarter and expect to deliver more than 700,000 tons in Q3.

We're on track to meet our guidance of 2.1 (technical difficulty) 2.5 million tons of sales in 2008. Cost should be optimistic that we will see ongoing sales increases in 2009, driven by increased infrastructure spending although it's still early to be certain.

We are very pleased with the performance of the Orca Quarry where our team is delivering excellent safety, productivity, cost performance and product quality. Our Richmond Terminal in San Francisco is also performing very well and sales have been steadily ramping up according to plan.

But the most important events in the development of our company will occur next Monday, August 18th when we expect to close the acquisition of the 12.4 acre Pier B site, the Port of Long Beach, California. The strategically located parcel of land is expected to become our gateway into the massive Los Angeles market. On this site, is a former industrial site and it has created challenges after several months of extensive due diligence and consultation with regulatory authorities, we are satisfied that it meets our demanding requirements. It is clear to us that the Pier B site has the potentials to become one of the largest, most environmentally progressive and efficient aggregate receiving terminals in the U.S. We're investing $15.2 million to purchase a 66% in the property. Our strategic alliance partner, Cemex, will loan the remaining 34%. The uneven ownership split is due to the fact that the strategic alliance partners will each own 50% and equally share Capital Expenditures on a 2/3rd portion of this land, which will be dedicated to handling sand and gravel products from the Orca Quarry. Polaris' subsidiary, Eagle Rock Aggregates Inc. will retain ownership rights to the remaining 1/3rd of the site pending a decision by Polaris on its potential use as a crushed granite terminal. If and when our proposed Eagle Rock Quarry is ready, go ahead, we plan to hold discussions with our strategic alliance partner regarding their possible participation and distribution of these products and has resulting increase in their ownership of the entire terminal.

The acquisition is a strategic importance to us. Let me explain why. Large parcels of well-located land where one can cost competitively receive and distribute large quantities of aggregates, are extremely scarce in the West Coast in the U.S. Pier B is exactly what we have been searching for the last six years. It's a 12.4 acre lot and a heavily industrialized part of the port, adjacent to deep water and in close proximity to highway 710. This terminal is being planned to have or approximately 3 million tons per annum of sand and gravel from the Orca Quarry.

Pier B is also valuable because it has the adequate potential to host a large crushed granite receiving terminal for our proposed Eagle Rock Quarry. This project is a subject of an on-going feasibility study due to be completed by the end of 2008. Plan B crushed granite terminal is expected to share common infrastructure with the sand and gravel terminal delivering economies of scale and resulting operating cost savings to both projects. Our expected arrival in sales ramp up in the Los Angeles market is time to coincide with the anticipated depletion and closure of local quarries in the coming years.

We do not plan to displace local production and then we will replace some of the lost production. We will only be a part of the solution to a much larger supply problem. Aggregate reserves continue to diminish in close proximity to large urban centers such as Los Angeles. Future supply will also have to come from long-hauled inland quarries that will incur increased transportation cost.

Incurring additional terminal capacity along the West Coast of North America remains a top priority for our team. This is the most effective way to keep growing our business, which benefits greatly from increased sales volume. Every time we open a new gateway for our products, we enhance our ability, increase our production, sales and volume through projects and we lower our cost per ton. In close collaboration with our strategic partner, Cemex, we continue to make good progress in our ongoing port initiatives and hope to have more to say on this front in the near future.

I'm pleased to report that on July 14th, we announced that Herb Wilson, our current Senior Vice President and Chief Operating Officer, an invaluable member of our team since 2001, will be succeeding in the role of President and CEO, effective January 1, 2009. It was a very positive and natural transition for Polaris as our company evolves from an entrepreneurial organization to a mature but growing producer. And this has been planned for quite some time. Herb's extensive experience as an operator of aggregate quarries and a strong skill set is ideally suited to the task ahead. Herb and I have worked closely together for seven years now. He knows our business intimately and he has played a critical role in planning and building it. Our Board of Directors and I have every confidence in his ability to lead our team into greater successes. I will remain CEO of the company until the end of the year and plan to stay closely associate with Polaris as a director and an adviser to its management team.

At this stage, I would like to pass the call to Herb and I will return for some closing comments.

HERB WILSON (Chief Operating Officer): Thank you, Marco, for the introduction. I'm Herb Wilson, the Chief Operating Officer of the company and I'd like to address the results of the second quarter trading. The outlook for the forthcoming year and thoughts on the strategic developments of the company and that might relate to further capital funding needs.

Before I do, I should just mention we're advised this morning, we had a technical glitch in filing our Q2 results. We used a new piece of software and the format when translated to a PDF file for the Sedar filing scrambled some numbers on the cash flow statement. I'm awfully sorry about that. Now we will be refilling this morning just as soon as all the appropriate offices of this side of the country are open to it.

So let me move on to the second quarter which we thought represented a solid performance in the phase of a challenging economic environment of soaring fuel prices, a strong Canadian dollar and declining aggregate demand in the U.S. The gross margin from our operations increased to $0.79 per ton but some, an increase of 84% over the first quarter. Probably the most encouraging feature of the quarter is the company's improving cash generation, especially considering the impact of these rock bed and chip in fuel cost increases. Cost (phon) used by operations in the quarter reduced to only $220,000 compared with $1.8 million used in the first quarter.

The Orca Sand and Gravel Quarry are operating well and sales volumes from our new Richmond Terminal increased by 63% over the first quarter. The fuel price increases are not material to the quarry's cost of production. The mining operation is highly efficient and uses only a small number of diesel-powered units.

Price increase is realized earlier in the year held firm in the quarter with an overall increase principally attributable to the higher volume of sales made from Richmond. The impact of the shipping fuel surcharge equated to $1.34 per ton shipped for the first six months of 2008. At the time we commenced shipping from Orca, which was in the second quarter of 2007, the price for the ship's main fuel known as IFO 118 is trading in a price range of $320 to $380 per metric ton and this translated to a fuel surcharge of $0.66 per ton. The exceptionally steep oil price rise in 2008, therefore, represented an additional $0.68 per ton of product shipped. The impact of this on the gross margin for the first six months of this year has been to reduce it by $0.52 per ton or 40%. We expect to recover this additional cost in 2009 under the terms of our customer contracts. However, the recent decline in oil price fit is very welcome news indeed as is the now falling Canadian dollar.

All forms of transportation for aggregates including trucking have been adversely impacted by the addition of fuel surcharges during the past year. Through the strength of our supply contracts, we have not seen any evidence that our market competitiveness been unduly affected.

We continue to experience additional cost for and pilots required to handle the large ships at the Orca Quarry. When completed the original economic analysis of this investment, we relied upon pro forma quotations from the Pilot (inaudible) Authority and established (inaudible) operators.

The severe decline of the coastal forestry industry which was a major employer of trucks coupled with a huge increase in general shipping traffic, (inaudible) container ships and coal carriers. While principal reasons for the significant cost increase of these services, the savings envisaged by our new berthing (inaudible) that will be based close to the quarry and then anticipated change in the piloted (inaudible) operations in 2009 will gradually be realized to the benefit of our margin.

Looking to the third quarter as Marco mentions, shipments have started strongly and we anticipate sales of at least 700,000 tons which will have a positive effect on reducing fixed costs and should translate to a further improvement in gross margin and cash generation. We continue to anticipate total shipments in 2008 to be within our guidance range of 2.1 to 2.5 million tons and we welcome what should be a forthcoming reduction in the cost of shipping fuel oils.

The year-on-year decline in aggregate demand in California has been at unprecedented levels. But we are now hopeful that the bottom of this particular cycle is just about being reached.

Turning to 2009, we are like most of the aggregate industry in California, still cautious about the visibility of this market next year. We were gratifying to note the recent comments by one of the major California aggregate producers the sighted evidence that the state government is committed to its infrastructure spending program which should lead to increased activity in 2009.

This sector favors our aggregate because of our extremely high quality. We anticipate that there will be some increase in volumes in 2009. But until our customers have determined their own plans towards the end of the year, we will be and able to say more. My strategic objectives are simple and do not differ materially from the strategy laid out since the company's inception. Mostly to complete the acquisition and development of receiving terminals in major West Coast cities that these are our critical item, one that our competitors are unlikely to be able to replicate. It is anticipated that Pier B will be available for sand and gravel and will be ready in 2011 and we are committing significant resources to two other terminal developments – San Diego and Washington State.

We need to increase sales volumes from Orca Sand and Gravel through these terminals such that the company is generating a strong cash flow from its operation. Internal estimates of the potential terminal capacity suggests that the permitted output of Orca may need to be revisited in the short term, a view to increasing it providing only that sufficient mineral resources are reasonably assured.

We need to complete the feasibility study for the Eagle Rock Quarry, which is now expected at the end of this year, 2008. And on the assumption that the study has a positive outcome, fund for financing and construction of this operation at the earliest possible opportunity.

We will not be distracted from completing these vital building blocks for the company. Although opportunities to utilize our resource development and marketing skills will be considered providing they compliment existing goals.

Another subject that demands a comment is the provision of capital in order for the company to achieve these development goals that by unlock the tremendous underlying value of the assets. Orca Sand and Gravel does not require any significant new capital at the quarry to achieve its ultimate potential. However, Eagle Rock and these terminals represent significant new investments.

The company presently has a strong balance sheet substantially debt-free prior to the purchase of Pier B land. Though we recognize that the equity markets are being less than caring to as over the recent months. But this day, I can only say that we are exploring several ways in which we might address the provision of funds and that we are mindful of the interest of all our shareholders.

Our strategic alliance agreement envisions that the development cost of these new terminals will be shared with our partner. There are several project financing possibilities for Eagle Rock. We will find the right balance to complete this task.

I'd like to close this section of the meeting by personally thanking Marco for all his support over the last seven years. I have enjoyed the relationship and no, he won't be a passive director in the future. I'll now hand the meeting back to Marco.

MARCO ROMERO: Thank you, Herb. In closing, unless we reiterate how pleased we are with our ongoing performance, have been weathering the current U.S. economic storm extremely well and considered a cyclical downturn that nothing more than a delay in our very substantial and sensible growth strategy. Long term fundamentals of our business plan remains solidly unchanged. We have world-class, irreplaceable aggregate resources, the capacity to cost effectively produce large quantities of very high quality construction aggregates. Our network of receiving port terminals is unmatched on the West Coast and we continue to make sound progress in our quest to secure additional port terminals that will serve as gateways into major West Coast markets. Aggregate reserves continue to deplete. We are solidly on track very much. At this stage, I would like to open the lines for questions.

OPERATOR: Thank you. Ladies and gentlemen, we will now conduct the question and answer session. If you have a question, please press the star key followed by the 1 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're a speaker phone before pressing any keys. One moment please for your first question. Your first question comes from David Charles of GMP Securities. Please proceed.

DAVID CHARLES: Yes, good morning, Herb, good morning, Marco. Just a couple of questions. I suppose in your presentation, Marco, you highlighted clearly that volumes are key drivers especially considering the fixed cost that you're faced with and clearly your – a lot of your margin compression is because you're not able to offset it by either price increase or volume increase. I was a little bit surprised to see volumes down slightly in the second quarter. And I'm just wondering, you know, you've obviously given guidance for the third quarter where you'll see volumes picking up. If you use the worst case scenario of shipments of about 2.1 million, you're seeing volumes drop off again in the fourth quarter to maybe to a level as low as 400,000 tons. I'm just wondering, you know, should we expect that you'll have a sort of a big quarter and then a low quarter? Or do you think that you can keep some of the volume momentum that you've had, you know, on the year-over-year basis, can you get that to increase again in the fourth quarter?

MARCO ROMERO: Hi, David. It's Marco here. The third quarter is typically in our industry, the strong quarter. It's very closely tied to summer construction activity. The fourth quarter can go either way. Weather is usually a factor. And with good weather, you know, have a good quarter and the fourth quarter of the year in California. But, yes, you're – if we hit the 700,000 tons in Q3 that leaves us with 400,000 tons to go (inaudible) of our range.

DAVID CHARLES: But do you think that there is any chance you can do like you've given the range from I suppose what I'm really asking is the range is 2.1 to 2.5, what's the chance that that 400,000 tons turns into five or even seven?

HERB WILSON: Well, let me address this, David, it's several – good morning.

DAVID CHARLES: Good morning.

HERB WILSON: First of all, we've got a rather unusual situation with this operation because our sales come in gigantic lumps. You know, each of these ships is moving over – just over 80,000 tons. And in Q2, we did actually have a ship booked to load and leave on the 28th of June. But because a couple of phase delay and loading gypsum on the way up to the quarry, actually left on July the 2nd so we could have had actually a pretty significant additional volume in Q2 that would have perhaps moved out the growth quarter-by-quarter. Traditionally, the first quarter is the very worst in our industry. It's weather-driven January, February always being the worst months. Now, it builds up to the third quarter but the fourth quarter is often very good. And, you know, people are trying to finish projects before the winter sets in, complete budget expenditures if it's government before the financial year times out. And I'm not at all depressed about the fourth quarter. I think it may be quite and we may be well into the middle or even higher into that guidance range. The problem is we don't know at the moment, you know, we don't have years of track record to look back on and see what is being the pattern quarter-on-quarter. Our customers aren't required to declare their position until three months in advance and everybody is being adjusting to this downturn and the market. And so I really wouldn't start taking a black view of it at the moment. I don't think that will prove the position at all.

DAVID CHARLES: Okay. Maybe sort of moving on a little bit from that. I think, Herb, in your presentation you were fairly clear that you felt you were seeing the bottom. I'm just wondering if maybe yourself or David could sort of other than an intuitive feeling into pity or some of that it can't get any worse than this, do you have any numbers you could point to that suggest that we're looking at the bottom in the residential/non-residential market for aggregates in the California area?

HERB WILSON: I think, David, could we ask you to take that?

DAVID SINGLETON: Yes. I thought you'd give me the difficult ones. It's David Singleton. I think these are the questions that everybody, not just in our industry, but in the whole country they're asking it themselves. As far as we are concerned, we – I believe that we actually are still seeking clear evidence that we are at the bottom. But it does vary from market to market. Let me just give you an example of that in and around the Bay Area. There's been a very high level of commercial spending, particularly in the San Francisco area itself. And that's been very good for the industry. We now think that that is probably going to be under some pressure as we move into 2009, because of the credit squeeze. And we're already beginning to see that pressure coming after us in the statistics. On the other hand, as Marco and I think I've mentioned we are seeing these and the state spending through the initiatives taken by the Governor and we are seeing increases at federal level which will assess the state. Coming to the crucial issue of housing, I actually don't think we are at the bottom yet. Although there are some signs that the inventory of new houses is reducing. There are signs of course that builders have been moving houses with much lower prices. Then information today suggest that the average selling price of houses in the U.S. is down very considerably now putting a lot of people into negative equity. But coming back to new house building, I think at the point where the inventory of unsold houses reduces somewhat further than builders will start to plan again to recommence building, not at the rate it was previously. Let's face it. We're 60% down or thereabouts from the peak in new house constructions in California, is one of the three or four worst affected states. So I've assessed all this in my mind as still trying to see the bottom. I don't think we're far away from it. I don't see 2009 being a significant part of the upward cycle. And I see our timing on new terminals is actually being ideal. It's the silver lining, if you like on our strategy. New residential/non-residential spending is at an all-time high, public works at federal level and some state level in California is up. Let's call up the good news. The bad news construction overall is down something like $0.60 seasonally adjusted. Commercial building slipping under the onslaught of credit squeeze. And the downright ugly it was of the good and the bad, the downright ugly is the housing down 60% from the peak. Hopefully bottoming probably going to recover 2010 in my opinion.

DAVID CHARLES: So, if I understand, David, based on your experience, you know, we're probably trying to like you said, put a bottom in here but don't expect a rebound in 2009. It may be for a little bit later to that.

DAVID SINGLETON: That's right. But I have to add one very positive note, David. We are not as Polaris operating on a day-to-day business with multiple customers. We are operating through contracted tonnages to major customers and their positions in the marketplace are actually very good. And as we've already said the quality of this product is very high indeed and it matches perfectly some of the requirements on the public sector requirements where standards are higher in concrete terms than they are in at the building level. I think, well, actually, put the trend, if you like, I think the way in which we're looking at 2009 for Polaris might well see us increasing our volumes. Because of the strength of our contracts.

So that apart, our customers are not going to see a major reversal in the market. I think our penetration might slightly increase in 2009.

DAVID CHARLES: And do you think just maybe one final question, do you think that, you know, realize revenues per ton can sort of hang in there be steady?

DAVID SINGLETON: Well, there's no doubt that when you get a decline of this nature, prices become under considerable pressure. The industry is being absorbing some of the fuel increases through reducing margins quarry squeezing (inaudible) to certain – in some examples to a point where Hollier is really in desperate trouble. That can't go on and we're encouraged by the words of some of the major companies in the industry and most recently, Volcan, who through Don James made it quite clear that Vulcan are looking to increase prices, they need to increase prices, not just to recover fuel but to also recognize the high cost of the replacement of these products. Cemex themselves have come out with statements of their intention to pass costs through to the customer on their ready mix concrete. So although prices are under pressure, I believe there's a determination to ensure that margins are that being earned by the industry don't get eroded to any extent more than is absolutely necessary. And on a final positive note, we talked about the importance of oil and our fuel costs to Polaris; it is an interesting statistic I believe. But if you look at the present price of oil today at $113 a barrel well priced, compared with its peak of $142, it's down around 20%. And that 20% pass through to the shipping fuel costs represent growth Polaris about $0.51 a ton. And if that oil price does continue at this low level or hopefully reduces even further, then we'll see this benefit healthiness enormously even if there is some increasing pressure on prices as we move through 2009.

DAVID CHARLES: Excellent. Thank you very much.

OPERATOR: Again, ladies and gentlemen, if there are any additional questions at this time, please press the star key followed by the 1. As a reminder, if you're using a speaker phone, please lift the handset before pressing any keys. Your next question comes from Catherine Gignac of Wellington West Capital Markets, please proceed.

CATHERINE GIGNAC: Hi, thank you very much. I appreciate that in terms of some guidance as far as margins are concerned, David, that's helpful. Can I go back to Orca, we're talking about, you know, terminal facilities down the road, down the coast if you will, as you continue to acquire those at the positive move longer-term. Permits that will be required to expand Orca at the mine level and also I know that you renewed your mine equipment lease. If you can talk about those two things.

HERB WILSON: All right, thank you, Catherine. It's Herb. Let me tackle the permitting efforts of quarry. It's actually very simple for us to gain an extension in the volume. The volumes in that we have at the moment are 6.6 million tons is simply derived from what the company applied for as a marker and it's mine permits at that time it made (inaudible) relative to the shipping availability and contract. And extending it beyond that is going to be a relatively simple process because we've already dealt with all the federal environmental assessment requirements which related to building our shipload are in the ocean. So there's no need to go back around that loop of regulation, I would think it would take as no more than three months of fairly simple process to gain the provinces agreement to an increase. We haven't done that yet because as you know, we're doing some further resource evaluation this year and drilling after adjacent lands that we can gain control over and we want to know what our full resource position is. But I think it's going to be very positive for us.

CATHERINE GIGNAC: Does that imply that you see a resource increase in it by this year end?

HERB WILSON: I never come along drilling results that, Catherine, you know you need to see them among the table in front of you and guides us to hide in the bush working hard. So I'm just going to have to defer that to a few months down the road but obviously, we wouldn't be spending money if we didn't feel it was at least worth doing so.

CATHERINE GIGNAC: Okay. And the extension in terms of the mining equipment lease, that different terms that bad or worse and same contractor?

MARCO ROMERO: Hi, Catherine, this is Marco here. There was no extension to anything. What we did is we added one more scraper to our inventory this year that was roughly I mean the half dollar of equipment that was added to our –

HERB WILSON: Yes, it was a Caterpillar finance lease on that equipment. The whole industry finances these big items (inaudible) through Caterpillar finance. You can't honestly get back to terms on money anywhere in the industry. But it was expansion we have the capability at the moment to significantly move up our tons of production at Orca without having anything. Either employees or equipment. We've got no significant Capital Expenditure to make to really expand that operation.

CATHERINE GIGNAC: Okay, no problem. I just – when (inaudible) quickly I didn't know that that was a change of contractor and equipment lease or what was going on.

HERB WILSON: That's an additional (inaudible).

CATHERINE GIGNAC: Okay. And just back to the margin question. You know, David's giving us some idea in terms of where things could be with fuel costs impact but at this point, any guidance in terms of where margins could be in 2009 and 2010?

HERB WILSON: We certainly can't hang our hats on a number. I think two positive things. First of all, you know, at this moment in time, we are not under any push back on our prices so let's assume they're stable until the end of the year. The benefit from the reducing shipping fuel costs accrues to Polaris Minerals and same way we can't recover it from our customers next year. Neither do we have to hand it back this year. And at the quarry operation, because it's a high fixed capital cost business this one of ours, the depreciation charge in our capital alone is 35% of all our operating costs. So if we increase the rate significantly in the quarter, those fixed costs reduce proportionately and again, that is all benefit that accrues to us so, you know, I'm going forward and hope at this point in time.

CATHERINE GIGNAC: All right, thank you very much.

HERB WILSON: Thank you.

OPERATOR: Your next question comes from Don Hughes of Desjardin Securities, please proceed.

DON HUGHES: Thank you, operator. Gentlemen, just a couple of quick ones. And sort of back for the margin front up for Q3 moving to 700,000 tons, on the cost of its old basis, on a per ton basis, would you expect in Q3 any material change in your cost per ton versus the Q2 period?

LISA DEA: So as our Herb said that there as our volume or cost per ton will come down because of the cost so as volume increase, volumes (technical difficulty).

DON HUGHES: With the, you know, there's been a lot of cost with the oil price and where it's gone, high fixed cost nature, again going from 500 to 700,000 tons, is there any way to break even on an earnings basis in the third quarter?

MARCO: Hi, Doug, it's Marco here. It's we haven't done the math on that. Obviously, we see where it could lead us where the trend is. But once we've got a better feel for that, I think we'll be able to.

DOUG HUGHES: Okay, just the last one on Orca. Is there an update to the original 43101 being undertaken now?

HERB WILSON: Yes, there is, John, it's Herb. We're working with the group that produced the original feasibility study, the AMEC Group. In fact, out there at the quarry with that team tomorrow and we hope to have the draft of that available for internal management review at the end of this month of August. I'm not expecting that it will take us long to review because we up build half the quarry on our operating exactly as was envisaged in the original report. So within the first half of September, we should be able to file that update which will also then give us a basis of some longer term numbers to talk about which will help us all understand how we see these trends going forward. I would say, you know, from my experience in the industry which is a lot of years as is David Singleton's, we're only five quarters into running one of the largest quarries and certainly the largest new quarry to be built in decades and we're doing extraordinarily well. If we haven't run into this desperate market situation in California, and, you know, so much to inconceivable how quickly we got to this point and to the – on the verge of being cash positive which I hope we may be in Q3. So I'm not depressed, I'm really am not.

JOHN HUGHES: Very good. Okay, so we can do our own numbers in terms of sort of estimating at what it means that several hundred thousand tons on a quarter-over-quarter basis. Last question and just on the physical where we stand right now on physical inventories on sight. Are you where you want to be or you sort of (inaudible) comment on what you have on the ground?

HERB WILSON: Yes, I'm happy to comment on that. We are where we want to be, John. Our inventories are maintained at a very high level. If you look at the details in the MD&A, you'll see in Q1 of this year, we produced a lot more material than we sold because we ramped up those inventories where it's a point now we're effectively we're producing to replace inventory as its shipped. The production process is very efficient. Unfortunately, in this business and I guess it's this time in coal mining (inaudible) business is your capacity goes up in steps, it doesn't go up in nice straight lines. A good example would be at some point you have to go from single shift operation, the two-shifts operation. And at the moment where a two-shift operation but running at the low end of the capability of that shift, we could churn out another I'm just stubborn at the number but we turn out another million tons a year of production without spending a penny on equipment or employing a person. I'm looking forward to us moving up through that part of the curve again it reduces our cost per ton.

JOHN HUGHES: Very good, thank you very much, gentlemen.

HERB WILSON: Thank you, John.

MARCO ROMERO: Thank you.

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

MARCO ROMERO: I guess at this stage I would like to thank everyone for taking the time. We appreciate attention, your interest in our company and look forward to reporting to you on our progress as we'll make it through this quarter and the rest of the year. Thank you very much. Thank you.

OPERATOR: Ladies and gentlemen, this concludes our conference call for today. Thank you for participating you may now disconnect your lines.

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