

## Itogon Update Q&A with CEO Stephen Clayson

Following ECR Minerals (LON:ECR) [announcement on Friday](#) of positive results from Phase 4 Channel Sampling at its Itogon Gold Project in The Philippines, we took the opportunity to put some investor focused questions to CEO Stephen Clayson in this exclusive MiningMaven Q&A session:

MM: Can you expand on the channel sampling results from the Itogon gold project in the Philippines released by ECR on Friday 26 September 2014 and the significance of these results in the context of historical and recent exploration work?



SC: Broadly speaking, our channel sampling at Itogon has been carried out for two reasons: to confirm historical channel sampling data; and to go beyond that historical dataset by sampling in new areas to increase the extent of known mineralisation and improve our understanding of the deposit. We have been successful in both regards so far, and sampling is continuing. The information generated feeds into the planning of our next phase of drilling, following on from the initial phase which was completed earlier this year with very satisfactory results.



MM: There is a technical report filed in Canada that sets an overall resource target for the Itogon project of up to one million ounces of gold. Where can investors see that report and to what extent do your results to date support the findings of the report?



SC: The report to which you refer was not commissioned or filed by ECR, and we don't encourage anyone to rely on the document. That said, it does make interesting reading and can be found on SEDAR.com under the company name Tiger International Resources, Inc., our partner at Itogon. As far as the resource target range given in the report goes, one can extrapolate in a basic way from the data ECR has released to date and reach some quite significant numbers, but additional exploration, notably drilling, is required before we will be in a position to estimate a resource. We expect to be drilling again later this year.



MM: What is the value generation pathway for Itogon, and does that end in a sale or production?



SC: For any mineral exploration venture the “value generation pathway” boils down to showing that a project has significant, deliverable economic potential and to taking the necessary regulatory steps to permit its operation as a mine, and doing so in such a way that the project is financeable at all key stages.

In the case of Itogon our exploration results to date are giving us the right sort of indications; to add further value we need to complete more drilling, estimate a resource and complete a feasibility study. This study would underpin a mining licence application, the success of which would earn ECR its 50% interest in the project. So that is what we are working towards.

Let me express it another way. If in due course Itogon is sitting with a feasibility study showing that it can be mined economically and a valid mining licence, then the project will clearly be much more valuable than it is today, assuming other things (such as the gold price) remain the same. A sale at or even some way before that point might make good financial sense, but so might pushing on all the way to production. It is too early to say which scenario is more likely to pan out.



MM: What are your thoughts on the gold market and the forward dynamic for gold and gold equities?



SC: As someone running a gold focused mineral exploration and development company I take the gold price as I find it, not as I might wish it to be. That means being cautiously optimistic but also quite conservative. The intention is not to be reliant on a future surge in the gold price to make our projects stack up, but to select, conceptualise and execute projects such that they may still have investment appeal even if the price were to fall further. Then if the price rises instead we will really be in a strong position.

I won't offer any kind of gold price forecast. But I will say that in my view, ongoing fundamental changes in the world financial system and the structure of the global economy coupled with related geopolitical tension imply a reasonably positive outlook for gold.



MM: Are you still on the lookout for new opportunities and how is the search going if so?



SC: We are still very much on the lookout, and at any given moment we tend to have several potential new opportunities under consideration. At the same time it is important to maintain forward momentum with the Itogon project in the Philippines and the SLM project in Argentina and not embark on new ventures simply because we can, as doing so could actually be counterproductive. But if a new opportunity really makes sense then something could happen.



MM: Is the yes vote by creditors announced on 15 July 2014 the final major hurdle in the release of Mercator Gold Australia (MGA) back to ECR and what are the remaining steps?



SC: It seems we are pretty close to the light at the end of the tunnel now with MGA. As announced on 15 September 2014, the administrators have despatched cheques in respect of a second and final dividend to unsecured creditors, and it is our understanding that the further steps required before MGA can be released from administration are fairly straightforward. As the end point draws nearer we are sharpening our focus on options for MGA, and any material developments on that score will be notified to the market.



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