



# CEOCFO

## Interviews & News!

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### Geologix Explorations Is Focused On Finding Large Gold Deposits In North And South America That Will Replace The Dwindling Reserve Base Of The Majors For Joint Venture, Development Or Straight Out Purchase



**Mining  
Gold  
(GIX-TSXV)**

**Geologix Explorations Inc.**

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**Dunham L. Craig, P. Geo  
CEO, President and Director**

#### **BIO:**

Dunham Craig graduated from the University of British Columbia with a Degree in Geology in 1988. From 1970 to 1983, he worked in the heavy construction industry and also operated his own con-

struction company for seven years. Upon graduation from university, he served as a project geologist for Cominco Exploration Ltd. and later consulted for Cominco and Kennecott Canada Inc.

Subsequently in 1993, as the vice president of exploration and corporate development for Wheaton River Minerals, Dunham was responsible for the discovery of three mineral deposits at Wheaton River's highly profitable Golden Bear mine and for participating in the project through bankable feasibility and bank financing. He later directed the acquisition of the Bellavista Gold Project in Costa Rica and oversaw its design through bankable feasibility. From 2002 to 2005, he was a member of the initial management team of Glencairn Gold Inc. that acquired and developed two operating mines in Central America. Dunham joined Geologix in 2005 as its President and was later appointed CEO and President by the Board in 2006.

#### **Company Profile:**

Geologix Explorations Inc. is a mineral exploration company focused on acquiring, exploring and developing gold properties in North and South America. The Company has a wealth of experience in the mining industry taking early stage exploration prospects to final feasibility and ultimately to production.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Craig, what is the focus at Geologix today?

**Mr. Craig:** "We are an exploration company. Our primary focus is to find large

deposits, which are replacements for the dwindling reserve base of the majors. Our objective is to find something of their size that meets their criteria and develop it to a point of which it is practical for them to get into the project and precede with a joint venture, development or straight out purchase."

**CEOCFO:** Why have you chosen to look with that philosophy?

**Mr. Craig:** "We found that this is primarily the best way to return shareholder investment. I have worked for both majors and minor companies in the past and find it the best way for shareholders to realize the best gains."

**CEOCFO:** Would you tell us about the projects that you have today?

**Mr. Craig:** "We primarily focus in Mexico and Peru. We also have some properties that we are optioning in Nevada. We are primarily interested in gold and silver as a central focus. However, we are also interested in copper/lead/zinc deposits, as these have proven to be quite profitable as an adjunct to the cost of producing gold and silver. Major companies are turning towards these now; there are remaining deposits in the world that are large scale that are sized right for the operation."

**CEOCFO:** What are the advantages of working in Peru and Mexico?

**Mr. Craig:** "In our industry it is commonly known that when you are looking for elephant deposits, what we call the big ones, it is good to be in elephant country. Therefore, Mexico has a very good mineralogical potential as it has been over the last 200 years, as does Peru. There are other jurisdictions in the world, however, we restrict our exploration into

North/South, for one reason; all of our staff has lived in Latin America and North America and are fluent in the culture and that is quite an advantage for us. Secondly is the political stability. We try to stay in jurisdictions where we feel that there is a 90 to 95% chance that you are going to cross the hurdle going into production. In a lot of the other places such as Mongolia, Asia, the Philippines, there is enough political risk there that we feel that we would rather stay in a safer jurisdiction and focus our energies in those areas.”

**CEOCFO:** Please tell us some specifics about your projects.

**Mr. Craig:** “San Agustin is our first flagship. We had been searching for this for about a year, from when I came into the company as CEO. I wanted to focus in Mexico, I felt it had great potential and sure enough it has. In the last five years in Mexico, there have been five very sizeable deposits that are going to be discovered. Penasquito is probably one of the largest lead/zinc/copper/gold systems in Mexico. Recently other companies had very good success there on these large polymetallic type deposits. Secondly, in Mexico, I worked quite a bit as the rest of our staff has in Central and South America and for us as far as richness, Chile and Mexico are the premiere countries to be in for minimal political risk. Mexico is very geared toward development and we’ve found very good government support there. Therefore, that is where we want to be; find the big one and be in a good country that can carry on right on through to production without major risk for the investing public.”

**CEOCFO:** Would you tell us about some of the other projects?

**Mr. Craig:** “Let me just elaborate San Agustin where we optioned our property Silver Standard a few years ago. We thought it had good potential when our engineers looked at it. We started working on it and sure enough it ballooned to a very strong gold/silver resource of 400,000 ounces. Since then we have a gold/silver equivalent to almost 5 million.

We have a ten-fold increase inside of eighteen months of drilling. That is exactly where we want to be. We are still drilling on it, we can’t find the edges of it, and we noticed it getting bigger. We are very pleased with the foothold that we have. Similarly in Peru, we have joined hands with Newmont, which is the second largest gold mining company in the world. They are our alliance partners; we are currently jointly exploring about 14,000 square kilometers there. In two years we have acquired about 32,000 hectares of land. We were just starting to drill new projects in October, which we are extremely excited about because after two years of hard work we have discovered very high-grade gold/silver system running up to 7.7 grams of gold in 1,205 grams of silver. Outcrop has never been sampled before is going back five-

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**- Dunham L. Craig**

hundred years to the Incas and to the Spaniards. It has taken a lot of determination and a lot of patience, but we are very excited about the commencement of drilling coming up in October.”

**CEOCFO:** How much is gut feeling and how much is science in making your choices?

**Mr. Craig:** “For us luck belongs to those who are smart and crafty, so there is a good component of luck in the hunt for these large gold/silver systems. However to be lucky you have to be in the right place at the right time and that requires good finance, good thinking and good staff. I can’t express more importantly the quality of staff and how the company motivates them. A lot of these deposits and discoveries are found by people willing to walk the extra mile to find something because everybody else doesn’t walk the extra mile. What is key in our company is that I am very proud of our staff. Every year they go out and we mo-

tivate them with options in the company and with support. Therefore, they do go that extra kilometer and that is where we are finding it. That is what is most important for us; the attitude of the company and also the consistency. You can’t just walk out and turn around and say that is it for a certain area. You have to keep going back and back and back and sticking with it. All of our staff in our company knows that, which is why the majors are successful. It is that dogged determination and we try to build that policy in our company.”

**CEOCFO:** What is the financial picture like for the company today?

**Mr. Craig:** “Our financial picture in our company as far as operations go is quite good. We have raised quite a bit as much as \$18 million the early part of this year.

We are very cautious in how we spend it and we are quite good for the foreseeable future into 2009 as far as requiring funding for operations. We do have a property option from another company and we will have to make a payment on that in 2009, but we don’t know when yet but that is coming up. That maybe made through another arrangement with another company, a joint

venture or maybe or equity or a variety of other ways. Right now we are quite healthy. As far as the markets go, as we have seen in the last two or three months in precious metals companies, almost everyone has lost within 30 to 50% of the market capitalization. However, we see it as a short-term situation, so we are not going to react to it. We are just going to keep on working our way through it, knowing we have the funding to do so.”

**CEOCFO:** What are you looking at today?

**Mr. Craig:** “That is our two-pronged attack on growth of the company. First about 65% of our annual expense goes into our flagship San Agustin in Mexico, where we delivered 5.2 gold equivalent ounces in the last eighteen months. The second side with the development of mining or mineral exploration companies is that you can’t remain stagnant and married to your flagship project. Therefore,

we spend about 35% of our annual budget every year looking for the second ship to bring into the fleet. We are picky, because we know it takes time to get a good ship. We just don't want to go out and get the first PT boat you run across, so we take our time and that is our alliance with Newmont and also other possible acquisitions in Mexico. It takes quite a while to develop these up to where you have discoveries, so we know we have to be persistent in keeping that funding available for perusing a second ship. We feel that

may come in with our property in Peru and our crew will be drilling in October. We also think we have the same potential La Casita, a San Agustin look-a-like project that we have in Mexico."

**CEO CFO:** In closing, why should Geologix stand out to potential investors?

**Mr. Craig:** "The difference between us and twelve hundred other exploration companies is that we have a very senior staff from some major companies. Our vice president of exploration had come

over from twenty years of the largest mining company in the world. We have a long-term approach; we have the size approach, an excellent technical staff. Everyone in the company is an employee fully dedicated toward success of the company. Therefore, where Geologix stands out is A, our approach, B, in our patience and C in our staff. When I am investing personally those are the three things I look at. I believe in that and we are in for the long haul."



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